

AMENDED IN ASSEMBLY SEPTEMBER 1, 2015

AMENDED IN ASSEMBLY AUGUST 18, 2015

AMENDED IN ASSEMBLY AUGUST 17, 2015

AMENDED IN SENATE JUNE 3, 2015

AMENDED IN SENATE MAY 6, 2015

AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 643

Introduced by Senator McGuire

February 27, 2015

~~An act to amend Section 2220.05 of, to add Article 25 (commencing with Section 2525) to Chapter 5 of Division 2 of, and to add Part 5 (commencing with Section 18100) to Division 7 of, the Business and Professions Code, to add Section 23028 to the Government Code, and to amend Section 11362.775 of, to add Article 8 (commencing with Section 111658) to Chapter 6 of Part 5 of Division 104 of, the Health and Safety Code, to add Section 3094 to the Labor Code, and to add Section 2402.5 to the Vehicle Code, relating to medical marijuana.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 643, as amended, McGuire. Medical marijuana.

~~(1) Existing~~

Existing law, the Compassionate Use Act of 1996, an initiative measure enacted by the approval of Proposition 215 at the November 6, 1996, statewide general election, authorizes the use of marijuana for medical purposes. Existing law enacted by the Legislature requires the establishment of a program for the issuance of identification cards to

qualified patients so that they may lawfully use marijuana for medical purposes, and requires the establishment of guidelines for the lawful cultivation of marijuana grown for medical use. Existing law provides for the licensure of various professions by the Department of Consumer Affairs. Existing law, the Sherman Food, Drug, and Cosmetic Law, provides for the regulation of food, drugs, devices, and cosmetics, as specified. A violation of that law is a crime.

~~This bill would establish within the Business, Consumer Services, and Housing Agency the Office of Medical Marijuana Regulation, under the supervision and control of the Chief of the Office of Medical Marijuana Regulation. The bill would authorize the office to issue licenses for commercial marijuana activity and would require the office to regulate dispensing facilities, cultivation sites, transporters, and manufacturers of medical marijuana and medical marijuana products, subject to local ordinances. The bill would require a background check of applicants for licensure, as defined, to be administered by the Department of Justice, and submission of a statement signed by an applicant, under penalty of perjury, that the information on his or her application is true, thereby creating a crime and imposing a state-mandated local program. Violation of the provisions related to applying for a license would be punishable by a civil fine of up to \$35,000 for each individual violation, or as otherwise specified.~~

~~The bill would make licenses subject to the restrictions of the local jurisdiction in which the facility operates or proposes to operate. The bill would authorize a facility or entity that is operating in compliance with local zoning ordinances and other state and local requirements on January 1, 2016, to continue its operations until its application for licensure is approved or denied. The bill would set forth provisions related to the transportation, testing, and distribution of medical marijuana and medical marijuana products. The bill would prohibit the distribution of any form of advertising for physician recommendations for medical marijuana, unless the advertisement bears a specified notice and requires that the advertisement meet specified requirements and not be fraudulent, deceitful, or misleading.~~

~~The bill would establish the Medical Marijuana Regulation Fund and would require the deposit of specified fees collected pursuant to this act into the fund. The bill would make moneys from the fund available upon appropriation to the office for the purposes of administering this act. The bill would also establish the Special Account for Environmental Enforcement within the Medical Marijuana Regulation Fund. This~~

~~account would contain money from fees assessed against licensed cultivation sites and would be available upon appropriation for the enforcement of environmental regulations relating to licensed cultivation sites. The bill would require the deposit of penalty moneys collected pursuant to this bill into the General Fund.~~

~~The bill would require, the Department of Food and Agriculture, in conjunction with the office, to make available a certified organic designation for medical marijuana by January 1, 2020, or, if the certified organic designation and organic certification program is not available by that date, to develop an equivalent program by January 1, 2022. The bill would also require that the office establish “appellations of origin” for marijuana grown in the state.~~

~~The bill would establish enforcement procedures and would authorize a city, county, or city and county to administer and enforce these provisions. The bill would further set forth provisions regulating edible medical marijuana products, as specified. By adding these provisions to the Sherman Food, Drug, and Cosmetic Law, a violation of which is a crime, the bill would impose a state-mandated local program.~~

~~(2) Existing law, the Medical Practice Act, provides for the licensure and regulation of physicians and surgeons by the Medical Board of California. Existing law requires the board to prioritize investigations and prosecutions of physicians and surgeons representing the greatest threat of harm, as specified. Existing law identifies the cases that are to be given priority, which include cases of repeated acts of excessively prescribing, furnishing, or administering controlled substances without a good faith prior examination of the patient. Existing law provides that a violation of the Medical Practice Act is a crime.~~

~~This bill would require the board to consult with the Center for Medicinal Cannabis Research on developing and adopting medical guidelines for the appropriate administration and use of marijuana.~~

~~The bill would also make it a misdemeanor for a physician and surgeon who recommends marijuana to a patient for a medical purpose to accept, solicit, or offer any remuneration from or to a licensed dispensing facility in which the physician and surgeon or his or her immediate family has a financial interest. By creating a new crime, the bill would impose a state-mandated local program.~~

~~The bill would provide that specified acts of recommending marijuana for medical purposes without a good faith examination are among the types of cases that should be given priority for investigation and prosecution by the board, as described above. The bill would further~~

prohibit a physician and surgeon from recommending medical marijuana to a patient unless that person is the patient's attending physician, as defined. Because a violation of that provision would be a crime, the bill would impose a state-mandated local program.

~~(3) Existing law authorizes the legislative body of a city or county to impose various taxes, including a transactions and use tax at a rate of 0.25%, or a multiple thereof, if approved by the required vote of the legislative body and the required vote of qualified voters, and limits the combined rate of transactions and use taxes within a city or county to 2%.~~

~~This bill would authorize a county by ordinance, to impose a tax on the privilege of cultivating, dispensing, producing, processing, preparing, storing, providing, donating, selling, or distributing medical marijuana by an entity issued a license. The bill would authorize the tax to be imposed for either general or specific governmental purposes. The bill would require a tax imposed pursuant to this authority to be subject to any applicable voter approval requirement.~~

~~(4) Existing law exempts qualified patients, persons with valid identification cards, and the designated primary caregivers of qualified patients and persons with identification cards from certain crimes, including possession of concentrated cannabis and marijuana, cultivation of marijuana, and possession of marijuana for sale.~~

~~This bill, after July 1, 2018, would also exempt from those crimes an employee, officer, or board member of a licensed cultivation site or a licensed dispensing facility, except as specified.~~

~~(5) Existing law establishes the Division of Apprenticeship Standards, which audits and regulates apprenticeship programs for various trades, including electricians.~~

~~This bill would require the division to investigate, approve, or reject applications for apprenticeship employees of a licensed cultivation site or a licensed dispensing facility, as defined.~~

~~(6) Existing law establishes the Department of Motor Vehicles and the Department of the California Highway Patrol. Existing law also prohibits and establishes standards for driving under the influence of alcohol.~~

~~This bill would require the Department of Motor Vehicles, in consultation with the Department of the California Highway Patrol, to establish protocols to determine whether a driver is operating a vehicle under the influence of cannabis, and to develop protocols setting forth best practices to assist law enforcement agencies. The bill would require~~

~~the Department of Motor Vehicles to prepare and submit a report, by September 1, 2016, that identifies best practices for the identification, detection, and apprehension of drivers operating a vehicle unsafely due to medical cannabis impairment.~~

~~(7) Existing law imposes sales and use taxes, as specified, to be collected by the State Board of Equalization.~~

~~This bill would require the State Board of Equalization, on or before July 1, 2016, to compile a report that includes the actual tax collected on the sale of medical marijuana, using the most current data available, and the expected tax revenues, under the existing tax structure, for the years 2016 to 2021, inclusive, and to submit that report to the Legislature and Governor's Office.~~

~~(8) This bill would provide that its provisions are severable.~~

~~(9) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.~~

~~This bill would make legislative findings to that effect.~~

~~(10) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

This bill would state the intent of the Legislature to enact a comprehensive regulatory framework for medical marijuana in the State of California. The bill would become operative only if AB 266 of the 2015–16 Regular Session is enacted and takes effect on or before January 1, 2016.

Vote: majority. Appropriation: no. Fiscal committee: ~~yes-no~~.
State-mandated local program: ~~yes-no~~.

The people of the State of California do enact as follows:

- 1 SECTION 1. *It is the intent of the Legislature to enact a*
- 2 *comprehensive regulatory framework for medical marijuana in*
- 3 *the State of California.*
- 4 SEC. 2. *This act shall become operative only if Assembly Bill*
- 5 *266 of the 2015–16 Session is enacted and takes effect on or before*
- 6 *January 1, 2016.*

1 ~~SECTION 1. This act shall be known, and may be cited, as the~~
2 ~~Medical Marijuana Public Safety and Environmental Protection~~
3 ~~Act.~~

4 ~~SEC. 2. The Legislature finds and declares all of the following:~~

5 ~~(a) In 1996, the people of the State of California enacted the~~
6 ~~Compassionate Use Act of 1996, codified in Section 11362.5 of~~
7 ~~the Health and Safety Code. The people of the State of California~~
8 ~~declared that their purpose in enacting the measure was, among~~
9 ~~other things, “to ensure that seriously ill Californians have the~~
10 ~~right to obtain and use marijuana for medical purposes where that~~
11 ~~medical use is deemed appropriate and has been recommended by~~
12 ~~a physician who has determined that the person’s health would~~
13 ~~benefit from the use of marijuana in the treatment of cancer,~~
14 ~~anorexia, AIDS, chronic pain, spasticity, glaucoma, arthritis,~~
15 ~~migraine, or any other illness for which marijuana provides relief.”~~

16 ~~(b) The Compassionate Use Act of 1996 called on state~~
17 ~~government to implement a plan for the safe and affordable~~
18 ~~distribution of marijuana to all patients in medical need of~~
19 ~~marijuana, while ensuring that nothing in that act would be~~
20 ~~construed to condone the diversion of marijuana for nonmedical~~
21 ~~purposes.~~

22 ~~(c) In 2003, the Legislature enacted the Medical Marijuana~~
23 ~~Program Act (MMPA), codified in Article 2.5 (commencing with~~
24 ~~Section 11362.7) of Chapter 6 of Division 10 of the Health and~~
25 ~~Safety Code.~~

26 ~~(d) Greater certainty and minimum statewide standards are~~
27 ~~urgently needed regarding the obligations of medical marijuana~~
28 ~~facilities, and for the imposition and enforcement of regulations~~
29 ~~to prevent unlawful cultivation and the diversion of marijuana to~~
30 ~~nonmedical use.~~

31 ~~(e) Despite the passage of the Compassionate Use Act of 1996~~
32 ~~and the MMPA, because of the lack of an effective statewide~~
33 ~~system for regulating and controlling medical marijuana, cities,~~
34 ~~counties, and local law enforcement officials have been confronted~~
35 ~~with uncertainty about the legality of some medical marijuana~~
36 ~~cultivation and distribution activities. The current state of affairs~~
37 ~~makes law enforcement difficult and endangers patient safety~~
38 ~~because of an inability to monitor the supply of medical marijuana~~
39 ~~in the state and the lack of quality control, testing, and labeling~~
40 ~~requirements.~~

1 ~~(f) The California Constitution grants cities and counties the~~
2 ~~authority to make and enforce, within their borders, “all local~~
3 ~~police, sanitary, and other ordinances and regulations not in conflict~~
4 ~~with the general laws.” This inherent local police power includes~~
5 ~~broad authority to determine, for purposes of public health, safety,~~
6 ~~and welfare, the appropriate uses of land within the local~~
7 ~~jurisdiction’s borders. The police power, therefore, allows each~~
8 ~~city and county to determine whether or not a medical marijuana~~
9 ~~dispensary or other facility that makes medical marijuana available~~
10 ~~may operate within its borders. Nothing in this act shall diminish,~~
11 ~~erode, or modify that authority.~~

12 ~~(g) If a city or county determines that a dispensary or other~~
13 ~~facility that makes medical marijuana available may operate within~~
14 ~~its borders, then there is a need for the state and local governments~~
15 ~~to license these dispensaries and other facilities for the purpose of~~
16 ~~adopting and enforcing protocols for security standards at~~
17 ~~dispensaries and in the transportation of medical marijuana, as~~
18 ~~well as health and safety standards to ensure patient safety. This~~
19 ~~licensing requirement is not intended in any way nor shall it be~~
20 ~~construed to preempt local ordinances, regulations, or enforcement~~
21 ~~actions regarding the sale and use of medical marijuana, including,~~
22 ~~but not limited to, security, signage, lighting, and inspections.~~

23 ~~(h) Greater oversight, uniformity, and enforcement are urgently~~
24 ~~needed regarding the obligations and rights of medical marijuana~~
25 ~~cultivators, transporters, and distribution facilities.~~

26 ~~(i) Marijuana has widely accepted medical applications that~~
27 ~~make it inappropriate to be classified as a Schedule I controlled~~
28 ~~substance in the State of California.~~

29 ~~(j) For the protection of Californians, the state must act to~~
30 ~~regulate and control commercial medical marijuana and not~~
31 ~~preempt local government ordinances. Counties should be allowed~~
32 ~~to impose local taxes and enact zoning regulations and other~~
33 ~~restrictions applicable to the cultivation, transportation, and~~
34 ~~distribution of medical marijuana based on local needs.~~

35 ~~(k) For the protection of California’s environment and its natural~~
36 ~~resources, all efforts must be made to prevent and mitigate the~~
37 ~~harmful environmental impacts that can be associated with some~~
38 ~~marijuana cultivation.~~

39 ~~(l) Illegal trespass grows on private and public property pose a~~
40 ~~threat to public safety and the environment.~~

1 (m) ~~The North Coast Regional Water Quality Control Board is~~
2 ~~currently in the process of promulgating regulations that would~~
3 ~~create a 3-tiered system for cultivator wastewater discharge permits.~~
4 ~~A similar permitting system would assist the state in controlling~~
5 ~~damaging wastewater runoff from cultivation sites, while~~
6 ~~minimizing the burden on smaller cultivators.~~

7 (n) ~~Nothing in this act shall have a diminishing effect on the~~
8 ~~rights and protections granted to a patient or primary caregiver~~
9 ~~pursuant to the Compassionate Use Act of 1996.~~

10 (o) ~~Nothing in this act shall be construed to promote or facilitate~~
11 ~~the nonmedical, recreational possession, sale, or use of marijuana.~~

12 SEC. 3. ~~Section 2220.05 of the Business and Professions Code~~
13 ~~is amended to read:~~

14 2220.05. ~~(a) In order to ensure that its resources are maximized~~
15 ~~for the protection of the public, the Medical Board of California~~
16 ~~shall prioritize its investigative and prosecutorial resources to~~
17 ~~ensure that physicians and surgeons representing the greatest threat~~
18 ~~of harm are identified and disciplined expeditiously. Cases~~
19 ~~involving any of the following allegations shall be handled on a~~
20 ~~priority basis, as follows, with the highest priority being given to~~
21 ~~cases in the first paragraph:~~

22 (1) ~~Gross negligence, incompetence, or repeated negligent acts~~
23 ~~that involve death or serious bodily injury to one or more patients,~~
24 ~~such that the physician and surgeon represents a danger to the~~
25 ~~public.~~

26 (2) ~~Drug or alcohol abuse by a physician and surgeon involving~~
27 ~~death or serious bodily injury to a patient.~~

28 (3) ~~Repeated acts of clearly excessive prescribing, furnishing,~~
29 ~~or administering of controlled substances, or repeated acts of~~
30 ~~prescribing, dispensing, or furnishing of controlled substances, or~~
31 ~~recommending marijuana to patients for medical purposes, without~~
32 ~~a good faith prior examination of the patient and medical reason~~
33 ~~therefor. However, in no event shall a physician and surgeon~~
34 ~~prescribing, furnishing, or administering controlled substances for~~
35 ~~intractable pain consistent with lawful prescribing, including, but~~
36 ~~not limited to, Sections 725, 2241.5, and 2241.6 of this code and~~
37 ~~Sections 11159.2 and 124961 of the Health and Safety Code, be~~
38 ~~prosecuted for excessive prescribing and prompt review of the~~
39 ~~applicability of these provisions shall be made in any complaint~~
40 ~~that may implicate these provisions.~~

1 ~~(4) Sexual misconduct with one or more patients during a course~~
2 ~~of treatment or an examination.~~

3 ~~(5) Practicing medicine while under the influence of drugs or~~
4 ~~alcohol.~~

5 ~~(b) The board may by regulation prioritize cases involving an~~
6 ~~allegation of conduct that is not described in subdivision (a). Those~~
7 ~~cases prioritized by regulation shall not be assigned a priority equal~~
8 ~~to or higher than the priorities established in subdivision (a).~~

9 ~~(c) The Medical Board of California shall indicate in its annual~~
10 ~~report mandated by Section 2312 the number of temporary~~
11 ~~restraining orders, interim suspension orders, and disciplinary~~
12 ~~actions that are taken in each priority category specified in~~
13 ~~subdivisions (a) and (b).~~

14 ~~SEC. 4. Article 25 (commencing with Section 2525) is added~~
15 ~~to Chapter 5 of Division 2 of the Business and Professions Code,~~
16 ~~to read:~~

17
18 ~~Article 25. Recommending Medical Marijuana~~
19

20 ~~2525. (a) It is unlawful for a physician and surgeon who~~
21 ~~recommends marijuana to a patient for a medical purpose to accept,~~
22 ~~solicit, or offer any form of remuneration from or to a facility~~
23 ~~issued a license pursuant to Part 5 (commencing with Section~~
24 ~~18100) of Division 7, if the physician and surgeon or his or her~~
25 ~~immediate family have a financial interest in that facility.~~

26 ~~(b) For the purposes of this section, “financial interest” shall~~
27 ~~have the same meaning as in Section 650.01.~~

28 ~~(c) A violation of this section shall be a misdemeanor.~~

29 ~~2525.1. The Medical Board of California shall consult with~~
30 ~~the California Marijuana Research Program, known as the Center~~
31 ~~for Medicinal Cannabis Research, authorized pursuant to Section~~
32 ~~11362.9 of the Health and Safety Code, on developing and adopting~~
33 ~~medical guidelines for the appropriate administration and use of~~
34 ~~medical marijuana.~~

35 ~~2525.2. A physician and surgeon shall not recommend medical~~
36 ~~marijuana to a patient, unless that person is the patient’s attending~~
37 ~~physician, as defined by subdivision (a) of Section 11362.7 of the~~
38 ~~Health and Safety Code.~~

39 ~~SEC. 5. Part 5 (commencing with Section 18100) is added to~~
40 ~~Division 7 of the Business and Professions Code, to read:~~

PART 5. MEDICAL MARIJUANA

CHAPTER 1. GENERAL PROVISIONS

18100. For purposes of this part, the following definitions shall apply:

(a) “Chief” means the Chief of the Office of Medical Marijuana Regulation.

(b) “Delivery” means the commercial transfer of medical marijuana or medical marijuana products from a dispensary, up to an amount determined by the office, to a primary caregiver or qualified patient, as defined in Section 11362.7 of the Health and Safety Code, a testing laboratory, or to an event or location where it will be used solely for promotional purposes. Delivery also includes the use by a dispensary of a third party or any technology platform that enables qualified patients or primary caregivers to arrange for or facilitate the commercial transfer of medical marijuana or medical marijuana products.

(c) “Dispensary” means a distribution operation that provides medical marijuana or medical marijuana derived products to patients and caregivers.

(d) “Distribution” means procurement, sale, and transport of medical marijuana and medical marijuana products purchased and sold between licensed entities.

(e) “Distributor” means a person who is engaged in the business of purchasing medical marijuana from a licensed cultivator or medical marijuana products from a licensed manufacturer in order to distribute to other licensees.

(f) “Fund” means the Medical Marijuana Regulation Fund established pursuant to Section 18118.

(g) “Labor peace agreement” means an agreement between a licensee and a bona fide labor organization that, at a minimum, protects the state’s proprietary interests by prohibiting labor organizations and members from engaging in picketing, work stoppages, boycotts, and any other economic interference with the applicant’s business. This agreement means that the applicant has agreed not to disrupt efforts by the bona fide labor organization to communicate with, and attempt to organize and represent, the applicant’s employees. The agreement shall provide a bona fide labor organization access, at reasonable times, to areas in which

1 the applicant's employees work, for the purpose of meeting with
2 employees to discuss their right to representation, employment
3 rights under state law, and terms and conditions of employment.
4 This type of agreement shall not mandate a particular method of
5 election or certification of the bona fide labor organization.

6 (h) ~~"Licensed cultivation site" means a facility that plants,~~
7 ~~grows, cultivates, harvests, dries, or processes medical marijuana~~
8 ~~and that is issued both a license pursuant to this part and a local~~
9 ~~license or permit.~~

10 (i) ~~"Licensed dispensing facility" means a dispensary or other~~
11 ~~facility that provides medical marijuana, medical marijuana~~
12 ~~products, or devices for the use of medical marijuana or medical~~
13 ~~marijuana products that is issued both a license pursuant to this~~
14 ~~part and a local license or permit.~~

15 (j) ~~"Licensed manufacturer" means a person who extracts,~~
16 ~~prepares, derives, produces, compounds, or repackages medical~~
17 ~~marijuana or medical marijuana products into consumable and~~
18 ~~nonconsumable forms and that is issued both a license pursuant~~
19 ~~to this part and a local license or permit.~~

20 (k) ~~"Licensed transporter" means an individual or entity issued~~
21 ~~a license by the office to transport medical marijuana to and from~~
22 ~~facilities that have been issued both a license pursuant to this part~~
23 ~~and a local license or permit for medical marijuana products above~~
24 ~~a quantity limit established by the office.~~

25 (l) ~~"Marijuana" or "cannabis" means all parts of the plant~~
26 ~~Cannabis sativa, Cannabis indica, or Cannabis ruderalis, whether~~
27 ~~growing or not; the seeds thereof; the resin, whether crude or~~
28 ~~purified, extracted from any part of the plant; and every compound,~~
29 ~~manufacture, salt, derivative, mixture, or preparation of the plant,~~
30 ~~its seeds, or resin. "Marijuana" does not include the mature stalks~~
31 ~~of the plant, fiber produced from the stalks, oil or cake made from~~
32 ~~the seeds of the plant, any other compound, manufacture, salt,~~
33 ~~derivative, mixture, or preparation of the mature stalks (except the~~
34 ~~resin extracted therefrom), fiber, oil, or cake, or the sterilized seed~~
35 ~~of the plant which is incapable of germination. "Marijuana" also~~
36 ~~means marijuana, as defined by Section 11018 of the Health and~~
37 ~~Safety Code.~~

38 (m) ~~"Office" means the Office of Medical Marijuana Regulation~~
39 ~~in the Business, Consumer Services, and Housing Agency.~~

1 ~~18101. (a) There is hereby created in the Business, Consumer~~
2 ~~Affairs, and Housing Agency the Office of Medical Marijuana~~
3 ~~Regulation, under the supervision and control of the Chief of the~~
4 ~~Office of Medical Marijuana Regulation.~~

5 ~~(b) Preservation of patients' access to medical marijuana and~~
6 ~~the protection of the public shall be the highest priorities for the~~
7 ~~office in exercising its licensing, regulatory, and disciplinary~~
8 ~~functions. Whenever the protection of the public is inconsistent~~
9 ~~with other interests sought to be promoted, the protection of the~~
10 ~~public shall be paramount.~~

11 ~~(c) The office shall have the authority to issue, suspend, or~~
12 ~~revoke conditional licenses for the cultivation, manufacture,~~
13 ~~transportation, storage, distribution, testing, and sale of medical~~
14 ~~marijuana within the state and to collect fees in connection with~~
15 ~~these actions. The office shall have the authority to create, issue,~~
16 ~~suspend, or revoke other licenses in order to protect patient health~~
17 ~~and the public and to facilitate the regulation of medical marijuana.~~

18 ~~(d) (1) The Governor shall appoint the chief at a salary to be~~
19 ~~fixed and determined by the secretary with the approval of the~~
20 ~~Director of Finance.~~

21 ~~(2) Appointment of the chief shall be subject to confirmation~~
22 ~~by the Senate Committee on Rules.~~

23 ~~(e) The duty of enforcing and administering this part shall be~~
24 ~~vested in the chief. The chief may adopt and enforce those rules~~
25 ~~and regulations that he or she determines are reasonably necessary~~
26 ~~to carry out the purposes of this part and declaring the policy of~~
27 ~~the office, including a system for the issuance of citations for~~
28 ~~violations of this part, as specified in Section 18127.~~

29 ~~(f) The chief, as necessary to carry out the provisions of this~~
30 ~~part, and in accordance with the State Civil Service Act (Part 2~~
31 ~~(commencing with Section 18500) of Division 5 of Title 2 of the~~
32 ~~Government Code), may appoint and fix the compensation of~~
33 ~~personnel, including, but not limited to, clerical, inspection,~~
34 ~~investigation, and auditing personnel, as well as an assistant chief.~~
35 ~~These personnel shall perform their respective duties under the~~
36 ~~supervision and the direction of the chief.~~

37 ~~(g) Every power granted to, or duty imposed upon, the chief~~
38 ~~under this part may be exercised or performed in the name of the~~
39 ~~chief by a deputy or assistant chief, subject to conditions and~~
40 ~~limitations that the chief prescribes.~~

1 ~~(h) The office shall exercise its authority pursuant to this part~~
2 ~~consistent with Section 1 of the act that added this section and~~
3 ~~consistent with the provisions of this part.~~

4 ~~18102. Funds for the establishment and support of the office~~
5 ~~shall be advanced as a loan from the General Fund and shall be~~
6 ~~repaid by the initial proceeds from fees collected pursuant to this~~
7 ~~part or any rule or regulation adopted pursuant to this part.~~

8 ~~18103. The office shall have the authority necessary for the~~
9 ~~implementation of this part, including, but not limited to, all of~~
10 ~~the following:~~

11 ~~(a) Establishing rules or regulations necessary to carry out the~~
12 ~~purposes and intent of this part and to enable the office to exercise~~
13 ~~the powers and perform the duties conferred upon it by this part~~
14 ~~and in accordance with Chapter 3.5 (commencing with Section~~
15 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code.~~
16 ~~These rules and regulations shall not limit any authority of a city,~~
17 ~~county, or city and county provided by law. For the performance~~
18 ~~of its duties, the office has the powers as set forth in Article 2~~
19 ~~(commencing with Section 11180) of Chapter 2 of Part 1 of~~
20 ~~Division 3 of Title 2 of the Government Code.~~

21 ~~(b) Issuing licenses to persons for the cultivation, manufacture,~~
22 ~~transportation, storage, distribution, testing, and sale of medical~~
23 ~~marijuana within the state.~~

24 ~~(c) Setting application, licensing, and renewal fees for licenses~~
25 ~~issued pursuant to Section 18114.~~

26 ~~(d) Establishing standards for the cultivation, manufacturing,~~
27 ~~transportation, storage, distribution, provision, testing, donation,~~
28 ~~and sale of medical marijuana and medical marijuana products.~~

29 ~~(e) Establishing procedures for the issuance, renewal,~~
30 ~~suspension, denial, and revocation of licenses.~~

31 ~~(f) Enforcing the licensing and regulatory requirement of this~~
32 ~~part, subject to the requirements of Section 18126.~~

33 ~~(g) Imposing a penalty authorized by this part or any rule or~~
34 ~~regulation adopted pursuant to this part.~~

35 ~~(h) Taking action with respect to an application for a license in~~
36 ~~accordance with procedures established pursuant to this part.~~

37 ~~(i) Overseeing the operation of the Medical Marijuana~~
38 ~~Regulation Fund and the Special Account for Environmental~~
39 ~~Enforcement, established pursuant to Section 18115.~~

1 ~~(j) Consulting with other state or local agencies, departments,~~
2 ~~representatives of the medical marijuana community, or public or~~
3 ~~private entities for the purposes of establishing statewide standards~~
4 ~~and regulations.~~

5 ~~18104. (a) On or before January 1, 2018, the office shall~~
6 ~~promulgate regulations for implementation and enforcement of~~
7 ~~this part, including, but not limited to, all of the following:~~

8 ~~(1) Procedures for the issuance, renewal, suspension, denial,~~
9 ~~and revocation of licenses.~~

10 ~~(2) Procedures for appeal of fines and the appeal of denial,~~
11 ~~suspension, or revocation of licenses.~~

12 ~~(3) Application, licensing, and renewal forms and fees.~~

13 ~~(4) A time period in which the office shall approve or deny an~~
14 ~~application for a license pursuant to this part.~~

15 ~~(5) Qualifications for licensees.~~

16 ~~(b) The office, in consultation with the Division of Labor~~
17 ~~Standards Enforcement, shall adopt regulations establishing worker~~
18 ~~safety standards for entities licensed pursuant to this part.~~

19 ~~(c) The office shall not issue a license unless the applicant has~~
20 ~~met all of the requirements of this part, including the requirements~~
21 ~~of subdivision (h) of Section 18110, and has demonstrated~~
22 ~~compliance with all applicable agricultural requirements, consumer~~
23 ~~protection requirements, food and product safety requirements,~~
24 ~~and environmental requirements, including, but not limited to,~~
25 ~~applicable water quality standards.~~

26 ~~18104.5. (a) On or before April 1, 2016, the office shall~~
27 ~~convene an advisory committee to advise the office on the~~
28 ~~development of standards and regulations pursuant to this chapter.~~
29 ~~The advisory committee shall recommend to the office the~~
30 ~~appropriate roles of each state entity as it pertains to this chapter,~~
31 ~~and shall recommend guidelines on communication and~~
32 ~~information sharing between state entities, and with local agencies,~~
33 ~~for implementation of this chapter.~~

34 ~~(b) The advisory committee shall be comprised of gubernatorial~~
35 ~~and legislative appointees, including, but not limited to,~~
36 ~~representatives of the medical marijuana industry, representatives~~
37 ~~of medical marijuana cultivators, appropriate local and state~~
38 ~~agencies, appropriate local and state law enforcement, physicians,~~
39 ~~environmental and public health experts, and medical marijuana~~
40 ~~patient advocates.~~

1 ~~(e) (1) The advisory committee shall submit a report on these~~
2 ~~standards, determinations, and guidelines for implementation of~~
3 ~~this chapter to the Legislature and state entities affected by this~~
4 ~~chapter by August 1, 2016.~~

5 ~~(2) The report submitted to the Legislature shall be submitted~~
6 ~~in compliance with Section 9795 of the Government Code.~~

7 ~~(3) The requirement for submitting a report imposed pursuant~~
8 ~~to this subdivision is inoperative on January 1, 2020, pursuant to~~
9 ~~Section 10231.5 of the Government Code.~~

10 ~~18105. (a) The chief shall keep a complete record of all~~
11 ~~facilities issued a license.~~

12 ~~(b) This record shall be made available on the office's Internet~~
13 ~~Web site.~~

14 ~~(c) The office shall not disclose information that the office~~
15 ~~determines is sensitive and should not be publicly disclosed,~~
16 ~~including, but not limited to, the address or location of cultivation~~
17 ~~sites.~~

18 ~~(d) Upon request, the office shall provide summary information~~
19 ~~on all licensees, including, but not limited to, the name of the~~
20 ~~licensee, the date the license was issued, the status of the license,~~
21 ~~and the licensee's mailing address.~~

22 ~~18106. The office shall establish procedures to provide state~~
23 ~~and local law enforcement and state and local agencies, upon their~~
24 ~~request, with 24-hour access to information to verify a license,~~
25 ~~track transportation manifests, and track the inventories of facilities~~
26 ~~issued a license.~~

27 ~~18107. Notwithstanding Section 18119, a licensed transporter~~
28 ~~may transport medical marijuana products to an unlicensed~~
29 ~~dispensing facility within the City of Los Angeles, provided the~~
30 ~~following requirements are met:~~

31 ~~(a) The licensed transporter shall comply with subdivisions (b)~~
32 ~~and (c) of Section 18117, except that, in complying with paragraph~~
33 ~~(2) of subdivision (b), the licensed transporter shall securely~~
34 ~~transmit the manifest to the office and the unlicensed dispensing~~
35 ~~facility that will receive the medical marijuana products.~~

36 ~~(b) The licensed transporter shall record and maintain, in both~~
37 ~~physical and electronic format, the following information with~~
38 ~~respect to the delivery of medical marijuana products to the~~
39 ~~unlicensed dispensing facility:~~

40 ~~(1) The date of delivery.~~

- 1 ~~(2) The address of delivery.~~
- 2 ~~(3) The name of the individual who completed the delivery.~~
- 3 ~~(4) The name of the individual at the facility who received the~~
4 ~~delivery.~~
- 5 ~~(5) The name of the owner or operator of the facility.~~
- 6 ~~(6) The name of the facility, as reflected on any signage.~~
- 7 ~~(7) The quantity, or weight, and variety of all medical marijuana~~
8 ~~products delivered.~~
- 9 ~~(8) The source of all medical marijuana delivered.~~
- 10 ~~(9) The monetary amount charged and received for all medical~~
11 ~~marijuana products delivered.~~
- 12 ~~(e) The recorded information specified in subdivision (b) shall~~
13 ~~be transmitted within five days to the City of Los Angeles, in a~~
14 ~~manner to be determined and specified by the City of Los Angeles.~~
- 15 ~~(d) The records required by this section shall be maintained and~~
16 ~~made available in accordance with the regulations promulgated~~
17 ~~by the office pursuant to Section 18140.~~
- 18 ~~18107.1. (a) The office shall develop a database containing~~
19 ~~the electronic shipping manifests, which shall include, but not be~~
20 ~~limited to, the following information:~~
- 21 ~~(1) The quantity, or weight, and variety of products shipped.~~
- 22 ~~(2) The estimated times of departure and arrival.~~
- 23 ~~(3) The quantity, or weight, and variety of products received.~~
- 24 ~~(4) The actual time of arrival.~~
- 25 ~~(5) A categorization of the product.~~
- 26 ~~(b) The database shall be designed to flag irregularities for the~~
27 ~~office to investigate. An authorized enforcement authority may,~~
28 ~~at any time, inspect shipments and request documentation for~~
29 ~~current inventory.~~
- 30 ~~18107.2. (a) This part shall not be construed to authorize or~~
31 ~~permit a licensee to transport or deliver, or cause to be transported~~
32 ~~or delivered, marijuana or marijuana products outside the state,~~
33 ~~unless authorized by federal law.~~
- 34 ~~(b) A local jurisdiction shall not prevent transportation of~~
35 ~~medical marijuana or medical marijuana products on public roads~~
36 ~~by a licensee transporting medical marijuana or medical marijuana~~
37 ~~products that acts in compliance with this part.~~
- 38 ~~(c) A local jurisdiction shall not prevent delivery of medical~~
39 ~~marijuana or medical marijuana products on public roads by a~~

1 licensee that acts in compliance with this part and applicable local
2 ordinances.

3
4 CHAPTER 2. LICENSES
5

6 18108. The following persons are exempt from the requirement
7 of licensure under this part:

8 (a) A qualified patient who cultivates, possesses, stores,
9 manufactures, or transports marijuana exclusively for his or her
10 personal medical use but who does not provide, donate, sell, or
11 distribute marijuana to any other person or entity is not, thereby,
12 engaged in commercial marijuana activity and is, therefore, exempt
13 from the licensure requirements of this part.

14 (b) A primary caregiver who cultivates, possesses, stores,
15 manufactures, transports, donates, or provides marijuana
16 exclusively for the personal medical purposes of no more than five
17 specified qualified patients for whom he or she is the primary
18 caregiver within the meaning of Section 11362.7 of the Health and
19 Safety Code, but who does not receive remuneration for these
20 activities except for compensation in full compliance with
21 subdivision (c) of Section 11362.765 of the Health and Safety
22 Code is not engaged in commercial marijuana activity and is,
23 therefore, exempt from the licensure requirements of this part.

24 18109. (a) Except as provided in Section 11362.5 of, and
25 Article 2.5 (commencing with Section 11362.7) of Chapter 6 of
26 Division 10 of, the Health and Safety Code, a person shall not sell
27 or provide medical marijuana to a patient or caregiver other than
28 at a licensed dispensing facility or through delivery from a licensed
29 dispensing facility.

30 (b) Except as provided in Section 11362.5 of, and Article 2.5
31 (commencing with Section 11362.7) of Chapter 6 of Division 10
32 of, the Health and Safety Code, a person shall not grow medical
33 marijuana other than at a licensed cultivation site.

34 (c) Except as provided in Section 11362.5 of, and Article 2.5
35 (commencing with Section 11362.7) of Chapter 6 of Division 10
36 of, the Health and Safety Code, a person shall not manufacture
37 medical marijuana or medical marijuana products other than a
38 licensed manufacturer.

39 (d) A person other than a licensed transporter shall not transport
40 medical marijuana from one facility issued a license to another.

1 ~~(e) A licensed manufacturer may obtain medical marijuana from~~
2 ~~a licensed cultivator and may furnish medical marijuana products~~
3 ~~to a licensed dispensary.~~

4 ~~18110. (a) The office may issue state licenses only to qualified~~
5 ~~applicants engaging in commercial marijuana activity pursuant to~~
6 ~~this chapter. Upon the date of implementation of regulations by~~
7 ~~the office, no person shall engage in commercial marijuana activity~~
8 ~~without possessing both a state license and a local permit, license,~~
9 ~~or other authorization.~~

10 ~~(b) Local permits shall be determined by local ordinances. The~~
11 ~~office issuing state licenses shall have sole authority to revoke a~~
12 ~~state license. Local agencies issuing local permits shall have sole~~
13 ~~authority to revoke a local permit.~~

14 ~~(c) Each applicant for a state license shall provide notice to~~
15 ~~every affected local jurisdiction at the same time the state~~
16 ~~application is filed. The office shall confirm with the applicant a~~
17 ~~list of affected local jurisdictions, including those jurisdictions~~
18 ~~affected by potential deliveries by the applicant.~~

19 ~~(d) The issuance of a state license shall not, in and of itself,~~
20 ~~authorize the recipient to begin business operations. The state~~
21 ~~license shall certify, at a minimum, that the applicant has paid the~~
22 ~~state licensing fee, successfully passed a criminal background~~
23 ~~check, and is a resident of the state of California.~~

24 ~~(e) Even if a state license has been granted pursuant to this~~
25 ~~chapter, a facility shall not operate in a local jurisdiction that~~
26 ~~prohibits the establishment of that type of business. A facility shall~~
27 ~~not commence activity under the authority of a state license until~~
28 ~~the applicant has obtained, in addition to the state license, a license~~
29 ~~or permit from the local jurisdiction in which he or she proposes~~
30 ~~to operate, following the requirements of the applicable local~~
31 ~~ordinances.~~

32 ~~(f) If a local government agency notifies the office and provides~~
33 ~~evidence that a licensee or applicant within its jurisdiction is in~~
34 ~~violation of local ordinances relating to commercial marijuana~~
35 ~~activities, the office shall schedule a hearing within 20 days to~~
36 ~~determine whether the evidence is sufficient to constitute grounds~~
37 ~~for the revocation of the state license.~~

38 ~~(g) Revocation of a state license or local license or permit shall~~
39 ~~terminate the ability of a medical marijuana business to operate~~

1 within California until the office or local jurisdiction reinstates or
2 reissues the state license or local license or permit.

3 (h) ~~An applicant for a license shall do all of the following:~~

4 (1) ~~Pay the fee or fees required by this part for each license~~
5 ~~being applied for.~~

6 (2) ~~Register with the office on forms prescribed by the chief.~~
7 ~~The forms shall contain sufficient information to identify the~~
8 ~~licensee, including all of the following:~~

9 (A) ~~Name of the owner or owners of a proposed facility,~~
10 ~~including all persons or entities having an ownership interest other~~
11 ~~than a security interest, lien, or encumbrance on property that will~~
12 ~~be used by the applicant.~~

13 (B) ~~The name, address, and date of birth of each principal officer~~
14 ~~and board member.~~

15 (C) ~~The address and telephone number of the proposed facility.~~

16 (D) ~~In the case of a cultivation site, the GPS coordinates of the~~
17 ~~site.~~

18 (3) ~~Describe, in writing, the scope of business of the proposed~~
19 ~~facility.~~

20 (4) ~~Provide evidence that the applicant and owner have their~~
21 ~~primary residence in California.~~

22 (5) ~~Provide detailed operating procedures, in writing, for the~~
23 ~~proposed facility, which shall include, but not be limited to,~~
24 ~~procedures for facility and operational security, prevention of~~
25 ~~diversion, employee screening, storage of medical marijuana,~~
26 ~~personnel policies, and recordkeeping procedures.~~

27 (6) ~~Provide evidence that the applicant has received all required~~
28 ~~environmental permits, including compliance with the California~~
29 ~~Environmental Quality Act, and wastewater discharge permits.~~

30 (7) ~~For an applicant seeking a cultivation license, provide a~~
31 ~~statement declaring the applicant is an “agricultural employer,” as~~
32 ~~defined in the Alatorre-Zenovich-Dunlap-Berman Agricultural~~
33 ~~Labor Relations Act of 1975 (Part 3.5 (commencing with Section~~
34 ~~1140) of Division 2 of the Labor Code), to the extent not prohibited~~
35 ~~by law.~~

36 (8) ~~Provide the applicant’s fingerprint images. For purposes of~~
37 ~~this paragraph, “applicant” means the owner or owners of a~~
38 ~~proposed facility, including all persons or entities having an~~
39 ~~ownership interest other than a security interest, lien, or~~
40 ~~encumbrance on property that will be used by the facility.~~

1 (A) The applicant shall electronically submit to the Department
2 of Justice fingerprint images and related information required by
3 the Department of Justice for the purpose of obtaining information
4 as to the existence and content of a record of state or federal
5 convictions and arrests, and information as to the existence and
6 content of a record of state or federal convictions and arrests for
7 which the Department of Justice establishes that the person is free
8 on bail, or on his or her own recognizance, pending trial or appeal.

9 (B) The Department of Justice shall provide a response to the
10 office pursuant to paragraph (1) of subdivision (p) of Section 11105
11 of the Penal Code.

12 (C) The office shall request from the Department of Justice
13 subsequent notification service, as provided pursuant to Section
14 11105.2 of the Penal Code, for persons described in subparagraph
15 (A).

16 (D) The Department of Justice shall charge the applicant a fee
17 sufficient to cover the reasonable cost of processing the requests
18 described in this paragraph.

19 (9) Provide a statement, signed by the applicant under penalty
20 of perjury, that the information provided is true.

21 (10) Provide any other information required by the office.

22 (i) Each location and each discrete use of a single location shall
23 require a license. Each application for a license is separate and
24 distinct, and the office may charge a separate fee for each.

25 (j) A license issued pursuant to this section shall be valid for
26 12 months after the date of issuance. After the initial 12-month
27 period, a license may be renewed for a period of 12 months. The
28 office shall establish procedures for the renewal of a license.

29 (k) Notwithstanding any other law, the office shall not issue a
30 license to an individual or entity, or for a premise, against whom
31 there is a pending state or local administrative or judicial
32 proceeding, against whom there are pending state or local
33 administrative actions, judicial proceedings, or other actions
34 initiated against the applicant, by a city, county, or city and county
35 under an applicable local ordinance, or who has been determined
36 through those proceedings to have violated a local ordinance related
37 to commercial marijuana activity.

38 (l) A facility or entity that is operating in compliance with local
39 zoning ordinances and other state and local requirements on

1 January 1, 2016, may continue its operations until its application
2 for licensure is approved or denied pursuant to this part.

3 (m) ~~A licensee shall not be licensed as a retailer of alcoholic~~
4 ~~beverages pursuant to Division 9 (commencing with Section~~
5 ~~23000).~~

6 18111. (a) ~~Upon receipt of the application for licensure and~~
7 ~~the applicable fee, the office shall make a thorough investigation~~
8 ~~to determine whether the applicant and the premises for which a~~
9 ~~state license is applied qualify for the state license and whether~~
10 ~~this chapter has been complied with, and shall investigate all~~
11 ~~relevant matters that may affect the public welfare and morals.~~

12 (b) ~~The office shall deny an application if either the applicant~~
13 ~~or the premises for which a state license is applied do not qualify~~
14 ~~for licensure under this part.~~

15 (c) ~~The office shall deny the application for licensure or renewal,~~
16 ~~or suspend or revoke a state license, if any of the following~~
17 ~~conditions apply:~~

18 (1) ~~Conduct involving dishonesty, fraud, or deceit, with the~~
19 ~~intent to substantially benefit himself, herself, or another, or~~
20 ~~substantially injure another.~~

21 (2) ~~Failure to comply with the provisions of this part or any rule~~
22 ~~or regulation adopted pursuant to this part.~~

23 (3) ~~Conduct that constitutes grounds for denial of licensure~~
24 ~~pursuant to Chapter 2 (commencing with Section 480) of Division~~
25 ~~1.5.~~

26 (4) ~~Local agencies have notified the office and provided~~
27 ~~evidence that a licensee or applicant within its jurisdiction is in~~
28 ~~violation of local ordinances relating to commercial marijuana~~
29 ~~activities.~~

30 (5) ~~The applicant fails to meet the requirements of this part or~~
31 ~~any regulation adopted pursuant to this part or any applicable city,~~
32 ~~county, or city and county ordinance or regulation. If a local~~
33 ~~government adopts an ordinance or resolution authorizing medical~~
34 ~~marijuana to be cultivated, manufactured, stored, distributed, or~~
35 ~~sold within its jurisdiction, it may submit documentation to the~~
36 ~~office detailing its renewal requirements. Failure to submit an~~
37 ~~ordinance or resolution to the office shall not impair the~~
38 ~~enforceability of the ordinance or resolution. Ordinances or~~
39 ~~resolutions that are not submitted pursuant to this subdivision shall~~
40 ~~not be considered in denial of licensure pursuant to this part.~~

1 ~~(6) Granting or continuation of a state license would be contrary~~
2 ~~to the public's safety.~~

3 ~~(7) The applicant holding or seeking a state license has been~~
4 ~~convicted of a misdemeanor involving moral turpitude, excluding~~
5 ~~misdemeanors involving possession of a controlled substance.~~

6 ~~(8) The application has failed to state with sufficient specificity~~
7 ~~the jurisdiction and location at which the applicant proposes to~~
8 ~~establish operations.~~

9 ~~(9) The applicant, or any of its officers, directors, or owners, is~~
10 ~~under 21 years of age.~~

11 ~~(10) The applicant fails to provide notarized written proof that~~
12 ~~the owner of real property or landlord has acknowledged and~~
13 ~~consented to its tenant's proposed cultivation or dispensing of~~
14 ~~medical marijuana or medical marijuana products.~~

15 ~~(11) The applicant has failed to provide information requested.~~

16 ~~(12) Unless otherwise provided by this paragraph, the applicant~~
17 ~~or any of its officers, directors, or owners, have been convicted of~~
18 ~~a crime or act that is substantially related to the qualifications,~~
19 ~~functions, or duties of the business or profession for which the~~
20 ~~application is made or is convicted of a misdemeanor involving~~
21 ~~moral turpitude, excluding misdemeanors involving possession of~~
22 ~~a controlled substance. For purposes of this section, a conviction~~
23 ~~means a plea or verdict of guilty or a conviction following a plea~~
24 ~~of nolo contendere. An action that the office is permitted to take~~
25 ~~following the establishment of a conviction, including, but not~~
26 ~~limited to, the issuance, renewal, suspension, and revocation of a~~
27 ~~license for commercial marijuana activity pursuant to this part,~~
28 ~~shall be held in abeyance until after the time for appeal has elapsed,~~
29 ~~or the judgment of conviction has been affirmed on appeal. Action~~
30 ~~may be taken when an order granting probation is made suspending~~
31 ~~the imposition of sentence.~~

32 ~~(A) An applicant shall not be denied a state license if the denial~~
33 ~~is based solely on any of the following:~~

34 ~~(i) The applicant has been convicted of transporting a controlled~~
35 ~~substance pursuant to Section 11352 or 11379 of the Health and~~
36 ~~Safety Code prior to January 1, 2014, and the facts underlying the~~
37 ~~conviction establish that the applicant did not transport the~~
38 ~~controlled substance with the intent to sell or the intent to aid and~~
39 ~~abet the commission of, or conspiracy to commit, a crime of~~
40 ~~transportation of the controlled substance.~~

1 (ii) ~~The applicant has been convicted of a felony that would not~~
2 ~~be subject to criminal prosecution pursuant to Section 11362.5 or~~
3 ~~11362.775 of the Health and Safety Code.~~

4 (B) ~~An applicant shall not be denied a state license under either~~
5 ~~of the following conditions:~~

6 (i) ~~The applicant has obtained a certificate of rehabilitation~~
7 ~~pursuant to Chapter 3.5 (commencing with Section 4852.01) of~~
8 ~~Title 6 of Part 3 of the Penal Code, for a crime or act that is~~
9 ~~substantially related to the qualifications, functions, or duties of~~
10 ~~the business or profession for which the application is made.~~

11 (ii) ~~The applicant has been convicted of a misdemeanor, and he~~
12 ~~or she has met all of the applicable requirements of the criteria for~~
13 ~~rehabilitation developed by the office to evaluate the rehabilitation~~
14 ~~of a person when considering the denial of license.~~

15 (C) ~~In determining convictions that are substantially related to~~
16 ~~the qualifications, functions, or duties of the business or profession~~
17 ~~for which the application is made, the office shall include, but not~~
18 ~~be limited to, the following:~~

19 (i) ~~A felony conviction for the possession for sale, sale,~~
20 ~~manufacture, transportation, or cultivation of a controlled~~
21 ~~substance.~~

22 (ii) ~~A violent felony, as specified in subdivision (c) of Section~~
23 ~~667.5 of the Penal Code.~~

24 (iii) ~~A serious felony as specified in subdivision (c) of Section~~
25 ~~1192.7 of the Penal Code.~~

26 (iv) ~~A felony offense involving fraud, deceit, or embezzlement.~~

27 (13) ~~The applicant, or any of its officers, directors, or owners,~~
28 ~~is a licensed physician making patient recommendations for~~
29 ~~medical marijuana.~~

30 (14) ~~The applicant or any of its officers, directors, or owners~~
31 ~~has been subject to fines or penalties for cultivation or production~~
32 ~~of a controlled substance on public or private lands pursuant to~~
33 ~~Section 12025 of the Fish and Game Code.~~

34 (15) ~~The applicant, or any of its officers, directors, or owners,~~
35 ~~have been sanctioned by the office, or a city, county, or a city and~~
36 ~~county for unlicensed commercial medical marijuana activities or~~
37 ~~has had a license revoked under this part in the previous three~~
38 ~~years.~~

39 (16) ~~The proposed commercial marijuana activity will violate~~
40 ~~any applicable local law or ordinance.~~

1 ~~(17) The applicant has had 20 employees or more in the past~~
2 ~~year and failed to enter into a labor peace agreement.~~

3 ~~(18) The applicant or the owner is unable to show that he or she~~
4 ~~has established domicile within the state.~~

5 ~~(19) Failure to obtain and maintain a valid seller's permit~~
6 ~~required pursuant to Part 1 (commencing with Section 6001) of~~
7 ~~the Revenue and Taxation Code.~~

8 ~~(20) There are pending state or local administrative actions,~~
9 ~~judicial proceedings, or other actions initiated against the applicant,~~
10 ~~by a city, county, or city and county under an applicable local~~
11 ~~ordinance, or who has been determined through those proceedings~~
12 ~~to have violated a local ordinance related to commercial marijuana~~
13 ~~activity, or who knowingly provides false or fraudulent information~~
14 ~~on an application for licensure.~~

15 ~~(d) Notwithstanding any other section of this part, the office~~
16 ~~may grant a license to an applicant who has been convicted of a~~
17 ~~crime if the office determines that the applicant is otherwise~~
18 ~~suitable to be issued a state license and granting a license would~~
19 ~~not compromise public safety. The office shall conduct a thorough~~
20 ~~investigation of the nature of the crime, conviction, circumstances,~~
21 ~~and evidence of rehabilitation of the applicant, and shall evaluate~~
22 ~~the suitability of the applicant to be issued a state license based on~~
23 ~~the evidence found through the investigation. In the evaluation,~~
24 ~~public protection shall take priority over rehabilitation and, where~~
25 ~~evidence of rehabilitation and public protection are in conflict,~~
26 ~~public protection shall take precedence.~~

27 ~~(e) Applicants shall be notified of a denied application, and~~
28 ~~licensees of a suspended or revoked license shall be notified, in~~
29 ~~writing via personal service or mail addressed to the address of~~
30 ~~the applicant or licensee set forth in the application. The letter shall~~
31 ~~contain the detailed reasons for which the application was denied,~~
32 ~~the license was revoked, or the license was suspended. The~~
33 ~~applicant or licensee shall have the right to appeal the denial,~~
34 ~~suspension, or revocation and shall be given a hearing within 30~~
35 ~~days of the appeal. On appeal, the decision shall be upheld unless~~
36 ~~the applicant or licensee demonstrates that he or she is in fact~~
37 ~~eligible for licensure and the application or licensee is in~~
38 ~~compliance with this part.~~

1 ~~(f) The chief shall, by regulation, prescribe conditions upon~~
2 ~~which a person whose license has previously been denied,~~
3 ~~suspended, or revoked, may be issued a license.~~

4 ~~(g) All proceedings to deny, suspend, or revoke a license shall~~
5 ~~be conducted pursuant to Chapter 5 (commencing with Section~~
6 ~~11500) of Part 1 of Division 3 of Title 2 of the Government Code.~~

7 ~~18112. (a) In addition to the provisions of this part, a license~~
8 ~~shall be subject to the restrictions of the local jurisdiction in which~~
9 ~~the facility operates or proposes to operate. Even if a license has~~
10 ~~been granted pursuant to this part, a facility shall not operate in a~~
11 ~~local jurisdiction that prohibits the establishment of that type of~~
12 ~~business.~~

13 ~~(b) In addition to the provisions of this part, local jurisdictions~~
14 ~~retain the power to assess fees and taxes, as applicable, on facilities~~
15 ~~that are licensed pursuant to this part and the business activities~~
16 ~~of those licensees.~~

17 ~~18113. The office may adopt regulations to limit the number~~
18 ~~of licenses issued pursuant to this part upon a finding that the~~
19 ~~otherwise unrestricted issuance of licenses is dangerous to the~~
20 ~~public health and safety.~~

21
22 ~~CHAPTER 3. FEES~~
23

24 ~~18114. (a) The licensing fee shall be established by the office~~
25 ~~at a level sufficient to fund the reasonable costs of all of the~~
26 ~~following:~~

27 ~~(1) Administrative costs incurred by the office in overseeing~~
28 ~~the licensing program and establishing health and safety standards.~~

29 ~~(2) Costs incurred by the office or the Department of Justice~~
30 ~~for enforcement of the provisions of this part.~~

31 ~~(3) Costs incurred by law enforcement and other public safety~~
32 ~~entities for enforcing the provisions of this part in their jurisdiction.~~

33 ~~(b) In addition to the licensing fee required pursuant to~~
34 ~~subdivision (a), a cultivation facility shall be assessed a fee in a~~
35 ~~sufficient amount to cover the reasonable regulatory costs of~~
36 ~~enforcing the environmental impact provisions relating to those~~
37 ~~cultivation facilities. This fee shall be distributed, as necessary~~
38 ~~and in proportion to its regulatory function, between the following~~
39 ~~agencies responsible for enforcing the regulations relating to the~~
40 ~~environmental impact of licensed cultivation sites:~~

- 1 ~~(1) The State Water Resources Control Board.~~
- 2 ~~(2) The Department of Fish and Wildlife.~~
- 3 ~~(3) The Department of Forestry and Fire Protection.~~
- 4 ~~(4) The Department of Pesticide Regulation.~~
- 5 ~~(5) The Department of Food and Agriculture.~~
- 6 ~~(6) Local law enforcement.~~

7 ~~18115. (a) The Medical Marijuana Regulation Fund is hereby~~
8 ~~established within the State Treasury. Notwithstanding Section~~
9 ~~16305.7 of the Government Code, the fund shall include any~~
10 ~~interest and dividends earned on the money in the fund.~~

11 ~~(b) Except as provided in subdivision (c), all fees collected~~
12 ~~pursuant to this part shall be deposited into the Medical Marijuana~~
13 ~~Regulation Fund. All moneys within the fund are available, upon~~
14 ~~appropriation by the Legislature, to the office solely for the~~
15 ~~purposes of fully funding and administering this part, including,~~
16 ~~but not limited to, the costs incurred by the office for its~~
17 ~~administrative expenses.~~

18 ~~(c) The Special Account for Environmental Enforcement is~~
19 ~~hereby established as an account within the Medical Marijuana~~
20 ~~Regulation Fund. Notwithstanding Section 16305.7 of the~~
21 ~~Government Code, the account shall include any interest and~~
22 ~~dividends earned on the money in the account. All fees collected~~
23 ~~pursuant to subdivision (b) of Section 18114 shall be deposited in~~
24 ~~this account. All moneys within the fund are available, upon~~
25 ~~appropriation by the Legislature, to the office for distribution to~~
26 ~~the entities listed in subdivision (b) of Section 18114 to be used~~
27 ~~to enforce the environmental regulation of licensed cultivation~~
28 ~~sites.~~

29 ~~(d) All moneys collected as a result of penalties imposed under~~
30 ~~this part shall be deposited directly into the General Fund, to be~~
31 ~~available upon appropriation.~~

32 ~~(e) The office may establish and administer a grant program to~~
33 ~~allocate moneys from the Medical Marijuana Regulation Fund to~~
34 ~~state and local entities for the purpose of assisting with medical~~
35 ~~marijuana regulation and the enforcement of this part.~~

36 ~~18116. (a) A facility issued a license shall not acquire,~~
37 ~~cultivate, process, possess, store, manufacture, distribute, sell,~~
38 ~~deliver, transfer, transport, or dispense medical marijuana for any~~
39 ~~purpose other than those authorized by Article 2.5 (commencing~~

1 with Section 11362.7) of Chapter 6 of Division 10 of the Health
2 and Safety Code.

3 (b) A licensed dispensing facility shall not acquire, cultivate,
4 process, possess, store, manufacture, distribute, sell, deliver,
5 transfer, transport, or dispense medical marijuana plants or medical
6 marijuana products except through a licensed cultivation site or a
7 licensed manufacturer.

8
9 CHAPTER 4. ~~TRANSPORTATION OF MEDICAL MARIJUANA~~

10
11 18117. (a) A licensee authorized to transport, or transport and
12 deliver, medical marijuana and medical marijuana products shall
13 do so only as set forth in this chapter.

14 (b) ~~Prior to transporting or delivering medical marijuana or~~
15 ~~medical marijuana products, a licensee authorized to transport or~~
16 ~~deliver medical marijuana or medical marijuana products shall do~~
17 ~~both of the following:~~

18 (1) ~~Complete an electronic shipping manifest as prescribed by~~
19 ~~the office. All delivery shipping manifests shall not identify the~~
20 ~~qualified patient or primary caregiver by name or address.~~

21 (2) ~~Securely transmit the manifest to the office and the licensee~~
22 ~~that will receive the medical marijuana product, as applicable,~~
23 ~~prior to transport.~~

24 (c) ~~During transportation or delivery, the licensed transporter~~
25 ~~shall maintain a physical copy of the shipping manifest and shall~~
26 ~~make it available upon request to office, local law enforcement~~
27 ~~officers, or any other designated enforcement agency.~~

28 (d) ~~The licensee receiving the shipment shall maintain each~~
29 ~~electronic shipping manifest and shall make it available upon~~
30 ~~request to agents of the office, local law enforcement officers, or~~
31 ~~any other locally designated enforcement agency.~~

32 (e) ~~Upon receipt of the transported shipment, a licensee shall~~
33 ~~submit to the office a record verifying receipt of the shipment and~~
34 ~~the details of the shipment.~~

35 (f) ~~Notwithstanding any other law or the wage orders of the~~
36 ~~Industrial Welfare Commission, a driver employed to transport~~
37 ~~medical marijuana or medical marijuana products shall be entitled~~
38 ~~to overtime pay pursuant to Section 510 of the Labor Code.~~

39 18118. ~~An entity licensed pursuant to Sections 18109 to 18113,~~
40 ~~inclusive, may transport between licensees medical marijuana or~~

1 ~~medical marijuana products with a total retail value, weight of~~
2 ~~medical marijuana, and weight of medical marijuana products,~~
3 ~~below the statewide threshold, which shall be adopted by regulation~~
4 ~~by the office after review by the advisory committee and the office.~~

5 ~~18119. (a) Transported and delivered medical marijuana or~~
6 ~~medical marijuana products shall be transported only in a storage~~
7 ~~compartment that is securely affixed to the interior of the~~
8 ~~transporting vehicle and that is not visible from outside the vehicle.~~
9 ~~This requirement shall only apply to licensees transporting medical~~
10 ~~marijuana or medical marijuana products with a total retail value~~
11 ~~of at least an amount equal to a statewide monetary threshold,~~
12 ~~which shall be adopted by regulation by the office after review by~~
13 ~~the advisory committee and the office.~~

14 ~~(b) A vehicle transporting medical marijuana or medical~~
15 ~~marijuana products shall travel only directly between licensed~~
16 ~~facilities authorized to receive the shipment, unless otherwise~~
17 ~~authorized under its license. All transport and deliveries shall be~~
18 ~~conducted between 8:00 a.m. and 8:00 p.m. Transportation and~~
19 ~~delivery of shipments do not have to be completed in a single day.~~

20 ~~(c) All transport or delivery vehicles shall be staffed with a~~
21 ~~minimum of two direct employees of the licensee. At least one~~
22 ~~employee shall remain with the vehicle at all times when the~~
23 ~~vehicle contains medical marijuana. This requirement shall only~~
24 ~~apply to licensees transporting medical marijuana or medical~~
25 ~~marijuana products with a total retail value of at least an amount~~
26 ~~equal to a statewide monetary threshold, which shall be adopted~~
27 ~~by regulation by the office after review by the advisory committee~~
28 ~~and the office.~~

29 ~~(d) Each transport or delivery team member shall possess~~
30 ~~documentation of licensing and a government-issued identification~~
31 ~~card at all times when transporting or delivering medical marijuana~~
32 ~~and shall produce it upon the request of agents of the office or a~~
33 ~~law enforcement official.~~

34 ~~(e) This section shall be enforced by the Department of the~~
35 ~~California Highway Patrol in collaboration with local agencies.~~

36 ~~CHAPTER 5. ENFORCEMENT~~

37
38
39 ~~18124. The office is not required by this section to enforce a~~
40 ~~city, county, city and county, or local law, ordinance, rule, or~~

1 regulation regarding the site or operation of a facility issued a
2 license.

3 18125. The office may assist state taxation authorities in the
4 development of uniform policies for the state taxation of licensees.

5 18126. (a) The office may enforce all of the requirements of
6 this part, including any regulations adopted pursuant to this part.

7 (b) The office shall delegate the authority to enforce the
8 requirements of this part, including any regulations, to a city,
9 county, or city and county, upon request of that entity.

10 (c) Nothing in this part shall be interpreted to supersede or limit
11 existing local authority for law enforcement activity, enforcement
12 of local zoning requirements, or enforcement of local licensing
13 requirements.

14 (d) Nothing in this part shall be interpreted to require the office
15 to undertake local law enforcement responsibilities, enforce local
16 zoning requirements, or enforce local licensing requirements.

17 18127. (a) A willful violation of Section 18110, including an
18 attempt to falsify information on an application or to otherwise
19 defraud or mislead a state or local agency in the course of the
20 application process, shall be punishable by a civil fine of up to
21 thirty-five thousand dollars (\$35,000) for each individual violation.

22 (b) A technical violation of Section 18110 shall, at the office's
23 discretion, be punishable by a civil fine of up to ten thousand
24 dollars (\$10,000) for each individual violation.

25 18128. A district attorney, county counsel, city attorney, city
26 prosecutor, the Attorney General, or the office may bring an action
27 to enjoin a violation or the threatened violation of any provision
28 of this part, including, but not limited to, a licensee's failure to
29 correct objectionable conditions following notice or as a result of
30 a rule promulgated pursuant to this part. The action shall be brought
31 in the county in which the violation occurred or is threatened to
32 occur. A proceeding brought pursuant to this part shall conform
33 to the requirements of Chapter 3 (commencing with Section 525)
34 of Title 7 of Part 2 of the Code of Civil Procedure. Nothing in this
35 section shall diminish the authority of a local government to take
36 requisite enforcement actions pertaining to its own ordinances or
37 regulations.

38 18129. Nothing in this part shall prevent a city or other local
39 governing body from taking action as specified in Section 11362.83
40 of the Health and Safety Code.

1 ~~18130. This part shall not be construed to limit a law~~
2 ~~enforcement agency's ability to investigate unlawful activity in~~
3 ~~relation to a facility issued a conditional license.~~

4
5 ~~CHAPTER 6. TIERED LICENSING AND VERTICAL INTEGRATION~~
6

7 ~~18131. (a) A licensee may only hold a state license in up to~~
8 ~~two separate license categories, as follows:~~

9 ~~(1) Type 1, 1A, 1B, 2, 2A, and 2B licensees, or a combination~~
10 ~~thereof, may apply for a Type 6 or 7 state license, or a combination~~
11 ~~thereof.~~

12 ~~(2) Type 6 and 7 licensees, or a combination thereof, may apply~~
13 ~~for a Type 1, 1A, 1B, 2, 2A, and 2B state license, or a combination~~
14 ~~thereof.~~

15 ~~(3) Type 6 and 7 licensees, or a combination thereof, may apply~~
16 ~~for a Type 10A state license.~~

17 ~~(4) Type 10A licensees may apply for a Type 6 and 7 state~~
18 ~~license, or a combination thereof.~~

19 ~~(5) Type 1, 1A, 1B, 2, 2A, and 2B licensees, or a combination~~
20 ~~thereof, may apply for a Type 10A state license.~~

21 ~~(6) Type 10A licensees, may apply for Type 1, 1A, 1B, 2, 2A,~~
22 ~~and 2B state license, or a combination thereof.~~

23 ~~(7) Type 11 licensees may apply for a Type 12 state license.~~

24 ~~(8) Type 12 licensees may apply for a Type 11 state license.~~

25 ~~(b) State licenses to be issued by the office are as follows:~~

26 ~~(1) Type 1, or "specialty outdoor," for outdoor cultivation using~~
27 ~~no artificial lighting of 5,000 square feet or less of total canopy~~
28 ~~size on one premises, or up to 50 mature plants on noncontiguous~~
29 ~~plots.~~

30 ~~(2) Type 1A, or "specialty indoor," for indoor cultivation using~~
31 ~~exclusively artificial lighting of 5,000 square feet or less of total~~
32 ~~canopy size on one premises.~~

33 ~~(3) Type 1B, or "specialty mixed-light," for cultivation using a~~
34 ~~combination of natural and supplemental artificial lighting at a~~
35 ~~maximum threshold to be determined by the office, than 5,000~~
36 ~~square feet or less of total canopy size on one premises.~~

37 ~~(4) Type 2, or "small outdoor," for outdoor cultivation using~~
38 ~~no artificial lighting between 5,001 and 10,000 square feet of total~~
39 ~~canopy size on one premises.~~

1 ~~(5) Type 2A, or “small indoor,” for indoor cultivation using~~
2 ~~exclusively artificial lighting between 5,001 and 10,000 square~~
3 ~~feet of total canopy size on one premises.~~

4 ~~(6) Type 2B, or “small mixed-light,” for cultivation using a~~
5 ~~combination of natural and supplemental artificial lighting at a~~
6 ~~maximum threshold to be determined by the office, between 5,001~~
7 ~~and 10,000 square feet of total canopy size on one premises.~~

8 ~~(7) Type 3, or “outdoor,” for outdoor cultivation using no~~
9 ~~artificial lighting between 10,001 and 44,000 square feet of total~~
10 ~~canopy size on one premises. The office shall limit the number of~~
11 ~~licenses allowed of this type.~~

12 ~~(8) Type 3A, or “indoor,” for indoor cultivation using~~
13 ~~exclusively artificial lighting between 10,001 and 22,000 square~~
14 ~~feet of total canopy size on one premises. The office shall limit~~
15 ~~the number of licenses allowed of this type.~~

16 ~~(9) Type 3B, or “mixed-light,” for cultivation using a~~
17 ~~combination of natural and supplemental artificial lighting at a~~
18 ~~maximum threshold to be determined by the office, between 10,001~~
19 ~~and 22,000 square feet of total canopy size on one premises. The~~
20 ~~office shall limit the number of licenses allowed of this type.~~

21 ~~(10) Type 4, or “nursery,” for cultivation of medical marijuana~~
22 ~~solely as a nursery. Type 4 licensees may transport live plants.~~

23 ~~(e) The office shall promulgate regulations governing the~~
24 ~~licensing of marijuana manufacturers.~~

25 ~~(d) Licenses to be issued by the office to marijuana~~
26 ~~manufacturers are as follows:~~

27 ~~(1) Type 6, or “manufacturing level 1,” for manufacturing sites~~
28 ~~that produce medical marijuana products using nonvolatile solvents.~~

29 ~~(2) Type 7, or “manufacturing level 2,” for manufacturing sites~~
30 ~~that produce medical marijuana products using volatile solvents.~~
31 ~~The office shall limit the number of licenses of this type.~~

32 ~~(3) Type 8, or “testing,” for testing of medical marijuana and~~
33 ~~medical marijuana products. Type 8 licensees shall have their~~
34 ~~facilities certified licensed according to regulations set forth by~~
35 ~~the office. A Type 8 licensee shall not hold a license in another~~
36 ~~license category of this part and shall not own or have ownership~~
37 ~~interest in a facility licensed pursuant to this part.~~

38 ~~(e) State licenses to be issued by the office for dispensing and~~
39 ~~distributing are as follows:~~

1 (1) ~~Type 10, or “dispensary,” for the retail of medical marijuana~~
2 ~~and medical marijuana products. This license shall allow for~~
3 ~~delivery where expressly authorized by local ordinance.~~

4 (2) ~~Type 10A or “special dispensary status,” for dispensers who~~
5 ~~have no more than three licensed dispensary facilities. This license~~
6 ~~shall allow for delivery where expressly authorized by local~~
7 ~~ordinance.~~

8 (3) ~~Type 11, or “distributor,” for the certification of the content~~
9 ~~of all medical marijuana or medical marijuana products and~~
10 ~~distribution licensees. A Type 11 licensee shall hold a Type 12,~~
11 ~~or transporter, license and register each facility location where~~
12 ~~product is stored for the purposes of distribution. A Type 11~~
13 ~~licensee shall not hold a license in a cultivation, manufacturing,~~
14 ~~dispensing, or testing license category and shall not own, or have~~
15 ~~an ownership interest in, a facility licensed in those categories~~
16 ~~other than a security interest, lien, or encumbrance on property~~
17 ~~that is used by a licensee. A Type 11 licensee shall be bonded and~~
18 ~~insured at a minimum level established by the office.~~

19 (4) ~~Type 12, or “transport,” for transporters of medical marijuana~~
20 ~~or medical marijuana products. A Type 12 licensee shall be bonded~~
21 ~~and insured at a minimum level established by the office.~~

22 CHAPTER 7. CULTIVATION SITES

23
24
25 18132. (a) ~~Not later than January 1, 2020, the Department of~~
26 ~~Food and Agriculture, in conjunction with the office, shall make~~
27 ~~available a certified organic designation and organic certification~~
28 ~~program for medical marijuana, if permitted under federal law.~~

29 (b) ~~If the certified organic designation and organic certification~~
30 ~~program is not available to medical marijuana by January 1, 2020,~~
31 ~~the Department of Food and Agriculture, in conjunction with the~~
32 ~~office, shall develop an equivalent program with standards for~~
33 ~~designation and certification for medical marijuana by January 1,~~
34 ~~2022.~~

35 (c) ~~The office shall establish appellations of origin for marijuana~~
36 ~~grown in California.~~

37 (d) ~~It is unlawful for medical marijuana to be marketed, labeled,~~
38 ~~or sold as grown in a California county when the medical marijuana~~
39 ~~was not grown in that county.~~

1 (e) It is unlawful to use the name of a California county in the
2 labeling, marketing, or packaging of medical marijuana products
3 unless the product was grown in that county.

4 18133. The office shall work with county agricultural
5 commissioners to provide all the information and forms required
6 for licensure as a cultivation site in a single location, including
7 state licensure, local requirements in that jurisdiction, and
8 environmental requirements.

9
10 CHAPTER 8. REGULATION OF MEDICAL MARIJUANA

11
12 18134. This part and Article 2 (commencing with Section
13 11357) and Article 2.5 (commencing with Section 11362.7) of
14 Chapter 6 of Division 10 of the Health and Safety Code shall not
15 interfere with an employer's rights and obligations to maintain a
16 drug and alcohol free workplace or require an employer to permit
17 or accommodate the use, consumption, possession, transfer,
18 display, transportation, sale, or growth of marijuana in the
19 workplace or affect the ability of employers to have policies
20 prohibiting the use of marijuana by employees and prospective
21 employees, or prevent employers from complying with state or
22 federal law.

23 18135. (a) A person shall not distribute any form of advertising
24 for physician recommendations for medical marijuana in California
25 unless the advertisement bears the following notice to consumers:

26
27 NOTICE TO CONSUMERS: The Compassionate Use Act of
28 1996 ensures that seriously ill Californians have the right to obtain
29 and use marijuana for medical purposes where medical use is
30 deemed appropriate and has been recommended by a physician
31 who has determined that the person's health would benefit from
32 the use of medical marijuana. Physicians are licensed and regulated
33 by the Medical Board of California and arrive at the decision to
34 make this recommendation in accordance with accepted standards
35 of medical responsibility. Marijuana is a Schedule I drug according
36 to the federal Controlled Substances Act. Activity related to
37 marijuana use is subject to federal prosecution, without protections
38 provided by state law.

~~(b) Advertising for physician recommendations for medical marijuana shall meet all requirements of Section 651. Price advertising shall not be fraudulent, deceitful, or misleading, including statements or advertisements of bait, discounts, premiums, gifts, or statements of a similar nature.~~

~~18136. (a) A facility issued a license shall implement sufficient security measures to both deter and prevent unauthorized entrance into areas containing medical marijuana or medical marijuana products and theft of medical marijuana or medical marijuana products at those facilities. These security measures shall include, but not be limited to, all of the following:~~

~~(1) Preventing individuals from remaining on the premises of the facility if they are not engaging in activity expressly related to the operations of the facility.~~

~~(2) Establishing limited access areas accessible only to authorized facility personnel.~~

~~(3) Storing all finished medical marijuana and medical marijuana products in a secured and locked room, safe, or vault, and in a manner as to prevent diversion, theft, and loss, except for limited amounts of marijuana used for display purposes, samples, or immediate sale.~~

~~(b) A facility issued a license shall notify appropriate law enforcement authorities within 24 hours after discovering any of the following:~~

~~(1) Significant discrepancies identified during inventory. The level of significance shall be determined by the office.~~

~~(2) Diversion, theft, loss, or any criminal activity involving the facility or a facility agent.~~

~~(3) The loss or unauthorized alteration of records related to marijuana, registered qualifying patients, personal caregivers, or facility agents.~~

~~(4) Any other breach of security.~~

~~(c) A licensed cultivation site shall weigh, inventory, and account for on video, all medical marijuana to be transported prior to its leaving its origination location. Within eight hours after arrival at the destination, the licensed dispensing facility shall reweigh, reinventory, and account for on video, all transported marijuana.~~

1 ~~18137. (a) A licensed cultivation site or licensed dispensing~~
2 ~~facility shall display the license in a manner so as to be available~~
3 ~~and easily read at the location.~~

4 ~~(b) The office shall notify local law enforcement of all licenses~~
5 ~~issued for cultivation sites, manufacturers, and dispensaries in that~~
6 ~~jurisdiction.~~

7 ~~18138. (a) Information identifying the names of patients, their~~
8 ~~medical conditions, or the names of their primary caregivers~~
9 ~~received and contained in records kept by the office for the~~
10 ~~purposes of administering this part shall be maintained in~~
11 ~~accordance with Chapter 1 (commencing with Section 123100) of~~
12 ~~Part 1 of Division 106 of the Health and Safety Code, Part 2.6~~
13 ~~(commencing with Section 56) of Division 1 of the Civil Code,~~
14 ~~and other state and federal laws relating to confidential patient~~
15 ~~information.~~

16 ~~(b) (1) Nothing in this section shall preclude any of the~~
17 ~~following:~~

18 ~~(A) Office employees notifying state or local agencies about~~
19 ~~information submitted to the office that the employee suspects is~~
20 ~~falsified or fraudulent.~~

21 ~~(B) Notifications from the office to state or local agencies of~~
22 ~~apparent violations of this part or an applicable local ordinance.~~

23 ~~(C) Verification of requests by state or local agencies to confirm~~
24 ~~licenses and certificates issued by the office or other state agency.~~

25 ~~(D) Providing information requested pursuant to a court order~~
26 ~~or subpoena issued by a court, an administrative agency, or local~~
27 ~~governing body authorized by law to issue subpoenas.~~

28 ~~(2) Information shall not be disclosed beyond what is necessary~~
29 ~~to achieve the goals of a specific investigation or notification or~~
30 ~~the parameters of a specific court order or subpoena.~~

31 ~~18139. (a) The actions of a licensee, its employees, and its~~
32 ~~agents, that are permitted pursuant to a license and that are~~
33 ~~conducted in accordance with the requirements of this part and~~
34 ~~regulations adopted pursuant to this part, are not unlawful under~~
35 ~~state law and shall not be an offense subject to arrest or~~
36 ~~prosecution.~~

37 ~~(b) The actions of a person who, in good faith and upon~~
38 ~~investigation, allows his or her property to be used by a licensee,~~
39 ~~its employees, and its agents, as permitted pursuant to a license,~~

1 are not unlawful under state law and shall not be an offense subject
2 to arrest or prosecution.

3 ~~(e) This section shall not be deemed to limit the authority or~~
4 ~~remedies of a city, county, or city and county under any law,~~
5 ~~including, without limitation, Section 7 of Article XI of the~~
6 ~~California Constitution.~~

7 ~~18140. (a) A licensee shall not cultivate, process, store,~~
8 ~~manufacture, transport, test, or sell medical marijuana in the state~~
9 ~~unless accurate records are kept at the licensed premises of the~~
10 ~~growing, processing, storing, manufacturing, transporting, testing,~~
11 ~~or selling by the licensee in the state. These records shall include~~
12 ~~the name and address of the supplier of marijuana received or~~
13 ~~possessed by the licensee, the location at which the marijuana was~~
14 ~~cultivated, the amount of marijuana received, the form in which~~
15 ~~it is received, the name of the employee receiving it, and the date~~
16 ~~of receipt. These records shall also include receipts for all~~
17 ~~expenditures incurred by the licensee and banking records, if any,~~
18 ~~for all funds obtained or expended in the performance of any~~
19 ~~activity under the authority of the license. A licensee who has a~~
20 ~~license for more than one premises may keep all records at one of~~
21 ~~the licensed premises. Required records shall be kept for a period~~
22 ~~of seven years from the date of the transaction.~~

23 ~~(b) The office or a local agency delegated the authority to~~
24 ~~enforce the licensing requirements of this part may examine the~~
25 ~~books and records of a licensee and may visit and inspect the~~
26 ~~premises of a licensee, as the office or local agency deems~~
27 ~~necessary to perform its duties under this part.~~

28 ~~(c) Books or records requested by the office or a local agency~~
29 ~~delegated the authority to enforce licensing requirements of this~~
30 ~~part shall be provided by the licensee no later than five business~~
31 ~~days after the request is made.~~

32 ~~(d) The office or a local agency delegated the authority to~~
33 ~~enforce the licensing requirements of this part may enter and~~
34 ~~inspect the premises of a facility issued a license between the hours~~
35 ~~of 8 a.m. and 8 p.m. on any day that the facility is open, or at any~~
36 ~~reasonable time, to ensure compliance and enforcement of the~~
37 ~~provisions of this part or a local ordinance.~~

38 ~~(e) If a licensee or an employee of a licensee refuses, impedes,~~
39 ~~obstructs, or interferes with an inspection pursuant to subdivision~~

(d), the license may be summarily suspended and the office shall directly commence proceedings for the revocation of the license.

(f) If a licensee fails to maintain or provide the books and records required pursuant to this section, the licensee shall be subject to a civil fine of fifteen thousand dollars (\$15,000) per individual violation.

(g) The office or a local agency delegated the authority to enforce the licensing requirement of this part may, at its discretion, require a licensee to contract for an independent audit of the records required under this section. The licensee shall be liable for all costs associated with such an audit.

CHAPTER 9. APPRENTICESHIP PROGRAM

18141. This chapter applies only to cultivation sites and dispensaries.

18142. The Division of Labor Standards Enforcement shall do all of the following:

(a) Maintain minimum standards for the competency and training of employees of a licensed cultivator or dispensary through a system of testing and certification.

(b) Maintain an advisory committee and panels as necessary to carry out its functions under this chapter. There shall be employer representation on the committee and panels.

(c) Adopt regulations as determined to be necessary to implement this chapter.

(d) Issue certification cards to employees certified pursuant to this chapter.

(e) Establish registration fees in an amount reasonably necessary to implement this chapter, not to exceed twenty-five dollars (\$25) for the initial registration. There shall be no fee for annual renewal of registration. Fees collected for cultivation sites and dispensaries shall be placed into the Medical Marijuana Regulation Fund.

18143. (a) By January 1, 2017, the Division of Labor Standards Enforcement shall develop a certification program for marijuana employees. Commencing January 1, 2019, except as provided in subdivision (c), certification shall be required of all persons who perform work as marijuana employees.

(b) Individuals desiring to be certified shall submit an application for certification and examination.

~~(e) (1) Certification is not required for registered apprentices working as marijuana employees as part of a state-approved apprenticeship program. An apprentice who is within one year of completion of his or her term of apprenticeship shall be permitted to take the certification examination and, upon passing the examination, shall be certified immediately upon completion of the term of apprenticeship.~~

~~(2) Commencing January 1, 2019, an uncertified person may perform work for which certification is otherwise required in order to acquire the necessary on-the-job experience for certification provided that the person shall be under the direct supervision of a marijuana employee certified pursuant to this section who is responsible for supervising no more than one uncertified person.~~

~~(3) The Division of Labor Standards Enforcement may develop additional criteria governing this subdivision.~~

~~18144. (a) The following shall constitute additional grounds for disciplinary proceedings, including suspension or revocation of the license issued pursuant to this part:~~

~~(1) The licensee willfully employs one or more uncertified persons to perform work as marijuana employees in violation of this chapter.~~

~~(2) The licensee willfully fails to provide adequate supervision of uncertified workers.~~

~~(3) The licensee willfully fails to provide adequate supervision of apprentices.~~

~~(b) The Labor Commissioner shall maintain a process for referring cases to the office when it has been determined that a violation of this section has likely occurred. The Labor Commissioner shall have a memorandum of understanding with the regulatory authorities office in furtherance of this section.~~

~~(c) Upon receipt of a referral by the Labor Commissioner alleging a violation under this section, the office shall open an investigation. Disciplinary action against the licensee shall be initiated within 60 days of the receipt of the referral. The office may initiate disciplinary action against a licensee upon his or her own investigation, the filing of a complaint, or a finding that results from a referral from the Labor Commissioner alleging a violation under this section. Failure of the employer or employee to provide evidence of certification or apprentice status shall create a rebuttable presumption of violation of this section.~~

1 ~~(d) This section shall become operative on January 1, 2019.~~

2
3 ~~CHAPTER 10. TRACKING PROGRAM~~

4
5 ~~18145. On or before March 1, 2016, the chief shall submit a~~
6 ~~request for proposal to the public regarding a tracking program~~
7 ~~for medical marijuana and medical marijuana products as part of~~
8 ~~the antidiversion effort. The office shall choose a supplier and~~
9 ~~begin full implementation of the program prior to the issuance of~~
10 ~~state licenses pursuant to this part.~~

11 ~~SEC. 6. Section 23028 is added to the Government Code, to~~
12 ~~read:~~

13 ~~23028. (a) (1) A county may impose a tax on the privilege of~~
14 ~~cultivating, dispensing, producing, processing, preparing, storing,~~
15 ~~providing, donating, selling, or distributing medical marijuana or~~
16 ~~medical marijuana products by a licensee operating pursuant to~~
17 ~~Part 5 (commencing with Section 18100) of Division 7 of the~~
18 ~~Business and Professions Code.~~

19 ~~(2) The board of supervisors shall specify in the ordinance~~
20 ~~proposing the tax the activities subject to the tax, the applicable~~
21 ~~rate or rates, the method of apportionment, if necessary, and the~~
22 ~~manner of collection of the tax. The tax may be imposed for general~~
23 ~~governmental purposes or for purposes specified in the ordinance~~
24 ~~by the board of supervisors.~~

25 ~~(3) In addition to any other method of collection authorized by~~
26 ~~law, the board of supervisors may provide for the collection of the~~
27 ~~tax imposed pursuant to this section in the same manner, and~~
28 ~~subject to the same penalties and priority of lien, as other charges~~
29 ~~and taxes fixed and collected by the county. A tax imposed~~
30 ~~pursuant to this section is a tax and not a fee or special assessment.~~
31 ~~The board of supervisors shall specify whether the tax applies~~
32 ~~throughout the entire county or within the unincorporated area of~~
33 ~~the county.~~

34 ~~(4) The tax authorized by this section may be imposed upon~~
35 ~~any or all of the activities set forth in paragraph (1) specified in~~
36 ~~the ordinance, regardless of whether the activity is undertaken~~
37 ~~individually, collectively, or cooperatively, and regardless of~~
38 ~~whether the activity is for compensation or gratuitously, as~~
39 ~~determined by the board of supervisors or city council.~~

1 ~~(b) A tax imposed pursuant to this section shall be subject to~~
2 ~~applicable voter approval requirements imposed by law.~~

3 ~~(e) For purposes of this section, “marijuana” has the same~~
4 ~~meaning as the term “marijuana product” set forth in Section~~
5 ~~111658 of the Health and Safety Code.~~

6 ~~(d) This section is declaratory of existing law and does not limit~~
7 ~~or prohibit the levy or collection of any other fee, charge, or tax,~~
8 ~~or a license or service fee or charge upon, or related to, the~~
9 ~~activities set forth in subdivision (a) as otherwise provided by law.~~
10 ~~This section shall not be construed as a limitation upon the taxing~~
11 ~~authority of a county as provided by law.~~

12 ~~(e) A tax imposed pursuant to this section is not a sales and use~~
13 ~~tax subject to Part 1.5 (commencing with Section 7200) of Division~~
14 ~~2 of the Revenue and Taxation Code or a transactions and use tax~~
15 ~~subject to Chapter 2 (commencing with Section 7285) of Part 1.7~~
16 ~~of Division 2 of the Revenue and Taxation Code. This subdivision~~
17 ~~shall not preclude imposition of any other tax authorized under~~
18 ~~this section upon the privilege of selling, storing, using, or~~
19 ~~consuming medical marijuana.~~

20 ~~SEC. 7. Section 11362.775 of the Health and Safety Code is~~
21 ~~amended to read:~~

22 ~~11362.775. (a) Qualified patients, persons with valid~~
23 ~~identification cards, and the designated primary caregivers of~~
24 ~~qualified patients and persons with identification cards, who~~
25 ~~cultivate marijuana for medical purposes, shall not solely on the~~
26 ~~basis of that fact be subject to state criminal sanctions under~~
27 ~~Section 11357, 11358, 11359, 11360, 11366, 11366.5, or 11570.~~

28 ~~(b) An individual employee, officer, or board member of a~~
29 ~~facility issued a license pursuant to Part 5 (commencing with~~
30 ~~Section 18100) of Division 7 of the Business and Professions Code~~
31 ~~shall not be subject to state criminal sanctions under Section 11357,~~
32 ~~11358, 11359, 11360, 11366, 11366.5, or 11570 and any successor~~
33 ~~statutes, based solely on holding a license, for the possession,~~
34 ~~cultivation, processing, packaging, storage, transportation, testing,~~
35 ~~sale, or distribution of medical marijuana to a facility holding a~~
36 ~~license pursuant to Part 5 (commencing with Section 18100) of~~
37 ~~Division 7 of the Business and Professions Code or directly to a~~
38 ~~qualified patient, a person with a valid identification card, or the~~
39 ~~designated primary caregiver of a qualified patient or person with~~
40 ~~a valid identification card, within the state, unless the information~~

1 contained on the licensing paperwork is false or falsified, the
2 license has been obtained by means of fraud, or the person is
3 otherwise in violation of Part 5 (commencing with Section 18100)
4 of Division 7 of the Business and Professions Code.

5 (e) This section shall not diminish the protections of Section
6 18139 of the Business and Professions Code.

7 SEC. 8.— Article 8 (commencing with Section 111658) is added
8 to Chapter 6 of Part 5 of Division 104 of the Health and Safety
9 Code, to read:

10
11 Article 8. Medical Marijuana
12

13 111658.— For purposes of this article, the following definitions
14 shall apply:

15 (a) “Edible medical marijuana product” means medical
16 marijuana or a medical marijuana-derived product that is ingested
17 or meant to be ingested through the mouth and into the digestive
18 system.

19 (b) “Marijuana” means all parts of the plant *Cannabis sativa* L.
20 *sativa*, *Cannabis indica*, or *Cannabis ruderalis*, whether growing
21 or not; the seeds thereof; the resin, whether crude or purified;
22 extracted from any part of the plant; and every compound,
23 manufacture, salt, derivative, mixture, or preparation of the plant,
24 its seeds, or resin. “Marijuana” does not include the mature stalks
25 of the plant, fiber produced from the stalks, oil or cake made from
26 the seeds of the plant, any other compound, manufacture, salt,
27 derivative, mixture, or preparation of the mature stalks (except the
28 resin extracted therefrom), fiber, oil, or cake, or the sterilized seed
29 of the plant which is incapable of germination. “Marijuana” also
30 means marijuana, as defined by Section 11018.

31 (c) “Office” means the Office of Medical Marijuana Regulation
32 in the Business, Consumer Services, and Housing Agency.

33 111659.— (a) The office shall promulgate regulations for
34 implementation and enforcement, including requirements to ensure
35 that all licensees and certified testing laboratories conform with
36 applicable standards equivalent to state statutory environmental,
37 agricultural, consumer protection, and food and product safety
38 requirements. These standards shall be in addition, and not limited,
39 to any other state and local requirements.

~~(b) Medical marijuana and medical marijuana products shall be tested by a certified testing laboratory, prior to retail sale or dispensing, as follows:~~

~~(1) Medical marijuana from dried flower shall, at a minimum, be tested for potency, pesticides, mold, rodenticide, and other contaminants.~~

~~(2) Medical marijuana extracts shall, at a minimum, be tested for potency and purity of the product.~~

~~(3) This article shall not prohibit a licensee from performing onsite testing for the purposes of quality assurance of the product in conjunction with reasonable business operations. Onsite testing by the licensee shall not be certified by the office.~~

~~(c) The office shall promulgate standards for certification of testing laboratories to perform random sample testing of all medical marijuana and medical marijuana products, including standards for onsite testing.~~

~~(d) Certification of testing laboratories shall be consistent with general requirements for the competence of testing and calibration activities, including sampling, using standard methods established by the International Organization for Standardization, specifically ISO/IEC 17020 and ISO/IEC 17025.~~

~~(e) These requirements shall apply to all entities, including third-party laboratories, engaged in the testing of medical marijuana pursuant to this article.~~

~~(f) A laboratory certified by the office to perform random sample testing of medical marijuana or medical marijuana products shall not acquire or receive medical marijuana or medical marijuana products except from a licensed facility in accordance with this article, and shall not distribute, sell, deliver, transfer, transport, or dispense medical marijuana or medical marijuana products except to the licensed facility from which the medical marijuana or medical marijuana products were acquired or received. All transfer or transportation shall be performed pursuant to a specified chain of custody protocol.~~

~~(g) The office shall develop procedures to ensure that testing of marijuana occurs prior to delivery to dispensaries or any other business, and specify how often licensees shall test marijuana, that the cost of testing shall be borne by the licensed cultivators, and requiring destruction of harvested batches whose testing samples indicate noncompliance with health and safety standards~~

1 promulgated by the office, unless remedial measures can bring the
2 marijuana into compliance with quality assurance standards as
3 promulgated by the office.

4 (h) The office shall establish a certification fee, and laboratories
5 shall pay a fee to be certified. Certification fees shall not exceed
6 the reasonable regulatory cost of the certification activities.

7 (i) All certification fees collected by the office pursuant to this
8 chapter shall be deposited into the Medical Marijuana Regulation
9 Fund. All moneys in the Medical Marijuana Regulation Fund that
10 are attributable to this section shall be available to the office upon
11 appropriation of the Legislature solely for the purpose of fully
12 funding administration of this article, including, but not limited
13 to, the costs incurred by the office for the administrative expenses
14 and costs and the costs of regulation.

15 111660. (a) The office shall promulgate the following public
16 health standards:

17 (1) Health and safety standards applicable to all medical
18 marijuana and medical marijuana products, including maximum
19 potency standards for medical marijuana products.

20 (2) Standards for licensed manufacturers of medical marijuana
21 and medical marijuana products, including, but not limited to,
22 edible products.

23 (b) At a minimum, the standards required by this section shall
24 do all of the following:

25 (1) Prescribe sanitation standards equivalent to the California
26 Retail Food Code (Part 7 (commencing with Section 113700)) for
27 food preparation, storage, handling, and sale of edible medical
28 marijuana products. For purposes of this article, edible medical
29 marijuana products are deemed to be unadulterated food products.

30 (2) Require that edible medical marijuana products produced,
31 distributed, provided, donated, or sold by licensees shall be limited
32 to nonpotentially hazardous food, as established by the State
33 Department of Public Health pursuant to Section 114365.5.

34 (3) Require that facilities in which edible medical marijuana
35 products are prepared shall be constructed in accordance with
36 applicable building standards, health and safety standards, and
37 other state laws.

38 (4) Require that all edible medical marijuana products shall be
39 packaged at the original point of preparation.

~~(e) No person shall engage in the manufacture, packing, or holding of processed food containing edible marijuana unless the person has a valid registration from the office pursuant to Sections 18109 to 18113, inclusive, of the Business and Professions Code. Health and safety standards prescribed by this section or promulgated through regulation may be enforced by local environmental health departments.~~

~~111661. (a) Prior to sale or distribution at a licensed dispensing facility or an unlicensed dispensing facility in the City of Los Angeles, medical marijuana products shall be labeled and shall be in a tamper evident package. Labels and packages of medical marijuana products shall meet the following requirements:~~

~~(1) Medical marijuana packages and labels shall not be made to be attractive to children.~~

~~(2) All medical marijuana product labels shall include the following information, shall be prominently displayed, and shall be in a clear and legible font:~~

~~(A) Manufacture date and source.~~

~~(B) The statement “KEEP OUT OF REACH OF CHILDREN AND ANIMALS” in bold print.~~

~~(C) The statement “FOR MEDICAL USE ONLY.”~~

~~(D) The statement “THE INTOXICATING EFFECTS OF THIS PRODUCT MAY BE DELAYED BY UP TO TWO HOURS.”~~

~~(E) The statement “THIS PRODUCT MAY IMPAIR THE ABILITY TO DRIVE OR OPERATE MACHINERY. PLEASE USE EXTREME CAUTION.”~~

~~(F) For packages containing only dried marijuana, the net weight of medical marijuana in the package.~~

~~(G) A warning if nuts or other known allergens are used.~~

~~(H) List of pharmacologically active ingredients, including, but not limited to, tetrahydrocannabinol (THC), cannabidiol (CBD), and other cannabinoid content, the THC and other cannabinoid amount in milligrams per serving, servings per package, and the THC and other cannabinoid amount in milligrams for the package total.~~

~~(I) Clear indication, in bold type, that the product contains medical marijuana.~~

~~(J) Identification of the source and date of cultivation and manufacture.~~

~~(K) The date of sale.~~

1 ~~(L) Any other requirement set by the office.~~

2 ~~(b) Only generic food names may be used to describe edible~~
3 ~~medical marijuana products.~~

4 111662. For purposes of this article, edible medical marijuana
5 products are deemed to be unadulterated food products. In addition
6 to the quality assurance standards provided in Section 111661, all
7 edible medical marijuana products shall comply with the following
8 requirements:

9 ~~(a) Baked edible medical marijuana products, including, but not~~
10 ~~limited to, brownies, bars, cookies, and cakes, tinctures, and other~~
11 ~~edible medical marijuana products that do not require refrigeration~~
12 ~~or hot holding may be manufactured, sold, or otherwise distributed~~
13 ~~at facilities issued a license pursuant to Part 5 (commencing with~~
14 ~~Section 18100) of Division 7 of the Business and Professions Code.~~

15 ~~(b) A facility issued a license pursuant to Part 5 (commencing~~
16 ~~with Section 18100) of Division 7 of the Business and Professions~~
17 ~~Code shall have an owner or employee who has successfully passed~~
18 ~~an approved and accredited food safety certification examination~~
19 ~~as specified in Sections 113947.1, 113947.2, and 113947.3 prior~~
20 ~~to selling, manufacturing, or distributing edible medical marijuana~~
21 ~~products requiring refrigeration or hot holding.~~

22 ~~(c) Individuals manufacturing or selling edible medical~~
23 ~~marijuana products shall thoroughly wash their hands before~~
24 ~~commencing production and before handling finished edible~~
25 ~~medical marijuana products.~~

26 ~~(d) All edible medical marijuana products sold for direct~~
27 ~~consumption and infused with marijuana concentrate shall be~~
28 ~~individually wrapped at the original point of preparation.~~

29 ~~(e) Products containing tetrahydrocannabinol (THC) shall be~~
30 ~~prepared in compliance with maximum potency standards for THC~~
31 ~~and THC concentrates set forth in the office's regulations.~~

32 ~~(f) Prior to sale or distribution at a licensed dispensing facility,~~
33 ~~edible medical marijuana products shall be labeled and in a tamper~~
34 ~~evident package. Labels and packages of edible medical marijuana~~
35 ~~products shall meet the following requirements:~~

36 ~~(1) Edible medical marijuana packages and labels shall not be~~
37 ~~made to be attractive to children.~~

38 ~~(2) In addition to the labeling requirements set forth in Section~~
39 ~~111660, edible medical marijuana product labels shall include the~~

1 following information, prominently displayed and in a clear and
2 legible font:

3 (A) Manufacture date and source.

4 (B) Net weight of medical marijuana in package.

5 (C) A warning if nuts or other known allergens are used and
6 shall include the total weight, in ounces or grams, of medical
7 marijuana in the package.

8 (D) Any other requirement set by the office.

9 (g) Photos or images of food are not allowed on edible medical
10 marijuana product packages or labels.

11 (h) Only generic food names may be used to describe edible
12 medical marijuana products.

13 ~~111663. All facilities issued a license pursuant to Part 5~~
14 ~~(commencing with Section 18100) of Division 7 of the Business~~
15 ~~and Professions Code that conduct business related to food or~~
16 ~~food-based products shall be subject to requirements equivalent~~
17 ~~to those of the California Retail Food Code and other applicable~~
18 ~~laws, as determined by the office.~~

19 SEC. 9. Section 3094 is added to the Labor Code, to read:

20 3094. The Division of Apprenticeship Standards shall
21 investigate, approve, or reject applications for apprenticeship
22 programs for employees of a licensee subject to Sections 18141
23 to 18144, inclusive, of the Business and Professions Code. The
24 Division of Apprenticeship Standards shall adopt regulations
25 necessary to implement and regulate the establishment of the
26 apprenticeship programs described in this section.

27 SEC. 10. Section 2402.5 is added to the Vehicle Code, to read:

28 2402.5. (a) The Department of the California Highway Patrol
29 shall establish protocols to determine whether a driver is operating
30 a vehicle under the influence of marijuana, and shall develop
31 protocols setting forth best practices to assist law enforcement
32 agencies. The costs to the Department of the California Highway
33 Patrol of implementing this subdivision shall, upon appropriation
34 by the Legislature, be paid for with appropriations from moneys
35 in the Medical Marijuana Regulation Fund.

36 (b) (1) Department of Motor Vehicles, in consultation with the
37 Department of the California Highway Patrol, shall prepare a report
38 to the Office of Medical Marijuana Regulation, the Senate, and
39 the Assembly that identifies best practices for the identification,

1 detection, and apprehension of drivers operating a vehicle unsafely
2 due to marijuana impairment.

3 (2) It is the intent of the Legislature that Department of Motor
4 Vehicles use various resources, including, but not limited to, peer
5 reviewed research and drug recognition experts to prepare the
6 report.

7 (3) The report shall include, but not be limited to, an
8 identification of roadside tests that enhance the ability of law
9 enforcement officers to detect marijuana impairment and specific
10 indicators that correlate performance on roadside testing with the
11 inability of a driver to safely operate a motor vehicle.

12 (4) Publication of the report shall not occur until the Department
13 of the California Highway Patrol concurs with its findings.

14 (5) The report shall be provided no later than September 1, 2016.

15 (6) The Department of Motor Vehicles and the Department of
16 the California Highway Patrol are authorized to contract for
17 consultation services necessary to complete the report and receive
18 reimbursement for the costs of consultation services from the
19 Medical Marijuana Regulation Fund.

20 SEC. 11. On or before July 1, 2016, the State Board of
21 Equalization shall compile a report on the estimated tax collected
22 on the sale of medical marijuana, using the most current data
23 available. The report should also include expected tax revenues,
24 under the existing tax structure, for the years 2016 to 2021,
25 inclusive. This report shall be submitted to the Legislature and the
26 Governor's office pursuant to Section 9795 of the Government
27 Code.

28 SEC. 12. The provisions of this act are severable. If any
29 provision of this act or its application is held invalid, that invalidity
30 shall not affect other provisions or applications that can be given
31 effect without the invalid provision or application.

32 SEC. 13. The Legislature finds and declares that Section 5 of
33 this act imposes a limitation on the public's right of access to the
34 meetings of public bodies or the writings of public officials and
35 agencies within the meaning of Section 3 of Article I of the
36 California Constitution. Pursuant to that constitutional provision,
37 the Legislature makes the following findings to demonstrate the
38 interest protected by this limitation and the need for protecting
39 that interest:

1 The limitation imposed under this act is necessary for purposes
2 of compliance with the federal Health Insurance Portability and
3 Accountability Act of 1996 (42 U.S.C. Sec. 1320d et seq.), the
4 Confidentiality of Medical Information Act (Part 2.6 (commencing
5 with Section 56) of Division 1 of the Civil Code), and the Insurance
6 Information and Privacy Protection Act (Article 6.6 (commencing
7 with Section 791) of Part 2 of Division 1 of the Insurance Code).

8 SEC. 14. ~~No reimbursement is required by this act pursuant to~~
9 ~~Section 6 of Article XIII B of the California Constitution because~~
10 ~~the only costs that may be incurred by a local agency or school~~
11 ~~district will be incurred because this act creates a new crime or~~
12 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
13 ~~for a crime or infraction, within the meaning of Section 17556 of~~
14 ~~the Government Code, or changes the definition of a crime within~~
15 ~~the meaning of Section 6 of Article XIII B of the California~~
16 ~~Constitution.~~

17 SEC. 15. ~~The amendments made to Section 11362.775 of the~~
18 ~~Health and Safety Code by this act shall become operative on July~~
19 ~~1, 2018.~~